



**MARKET  
FINANCE**



# **A GUIDE FOR INTRODUCERS**

**We're a partner you can trust**



★ Trustpilot ★★★★★

A real challenger to the traditional invoice finance offered by the banks.

RICHARD BROWN, MARCH 2020

★ Trustpilot ★★★★★

MarketFinance has been the perfect partner to work with. It has left us free to run our business and explore new exciting global opportunities.

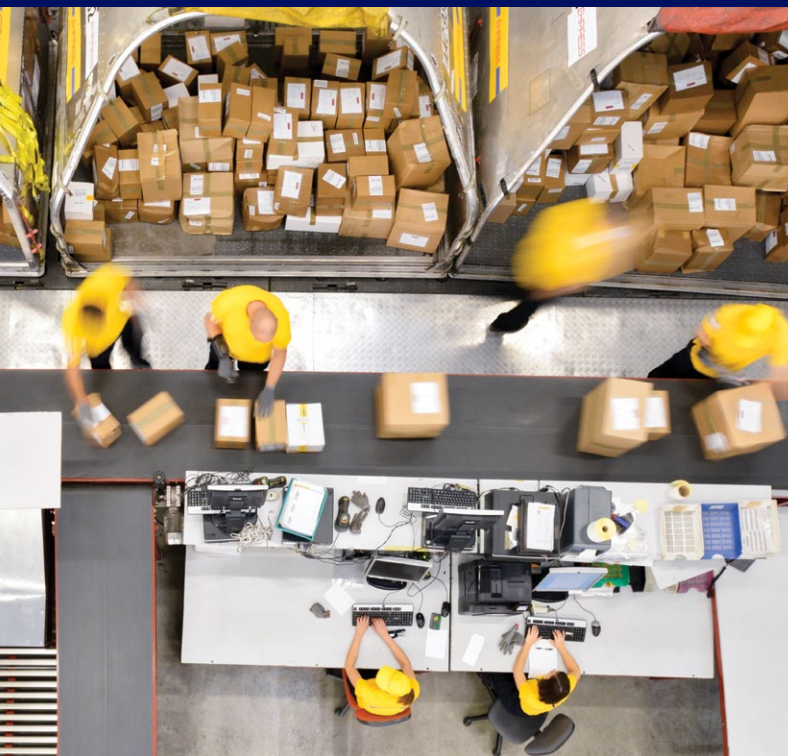
CHRIS VERTANNES, FEBRUARY 2020



★ Trustpilot ★★★★★

The service from MarketFinance is second to none. They are there when we need them and they give us the confidence to make timely business decisions.

TM, FEBRUARY 2020



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## ABOUT US

At MarketFinance, our vision is for entrepreneurs to have the time to build the world we all want to live in.

That's why we're making it quick and easy to get funding through our seamless funding solutions. So entrepreneurs can get on with growing their business, instead of having to worry about cash flow. We're here to unlock the endless possibilities that arise when entrepreneurs have time to focus on what they love.

We've funded over £3bn worth of invoices and business loans since inception, using a marketplace model. This means we have businesses that want a loan or funding against outstanding invoices on one side, and investors who advance those funds on the other. Our smart online platform connects these two communities.

Our platform investors include Barclays UK, the British Business Bank, institutional investors, family offices and high net worth individuals.



## OUR PARTNERS INCLUDE



# OUR FINANCE SOLUTIONS

We have a variety of flexible finance solutions to suit almost any business.

## // CBILS

### **CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)**

**What is it?**

We offer a CBILS revolving credit facility and a CBILS loan.

**Who is it for?**

Check out our eligibility in the CBILS section of this guide.

## // INVOICES

### **SELECTIVE INVOICE DISCOUNTING**

**What is it?**

A selective invoice discounting facility that allows your clients to get an advance against specific invoices, as and when they need

**Who is it for?**

B2B businesses with a minimum turnover of £100,000 p.a. or annualised income from current year's trading

### **CONFIDENTIAL INVOICE DISCOUNTING**

**What is it?**

A confidential, whole ledger invoice discounting facility that is secured against all your client's outstanding invoices

**Who is it for?**

B2B businesses with a minimum turnover of £500,000 p.a. and 2 years+ trading history; minimum turnover of £250,000 p.a. and 1 year of trading history with our credit control option\*

\*Credit control is available through Veritas Commercial Services

# IDENTIFYING A NEED

We've put together some examples of the types of businesses that would be a good fit for invoice finance. To learn more about our customer stories, check out [marketfinance.com/customer-stories](https://marketfinance.com/customer-stories).

## RAYMOND / FINANCE DIRECTOR



### INDUSTRY

Food and beverage (wholesale), nutritional supplements

### COMPANY PROFILE

T/O £4m, 7 years old

### INDICATORS

- Heavy use of overdraft, funding need exceeds limit
- Regular credit payments from key customers
- Blue-chip debtors (Tesco, Sainsbury's)

### GROWTH PLANS

Expansion outside the UK

## LINDSAY / CHIEF EXECUTIVE



### INDUSTRY

Advertising, ad tech

### COMPANY PROFILE

T/O £500k, 2 years old

### INDICATORS

- Project-based work that's invoiced once work has been completed
- Taking on new projects with large media companies

### GROWTH PLANS

Hiring more staff to keep up with demand

## JON / MANAGING DIRECTOR



### INDUSTRY

Manufacturing, bricks

### COMPANY PROFILE

T/O £2m, 5 years old

### INDICATORS

- Previous £100k loan which has been paid off
- Exporting to EMEA and APAC
- Short payment terms from suppliers

### GROWTH PLANS

Developing new products

## CHRIS / OWNER



### INDUSTRY

Technology, enterprise software

### COMPANY PROFILE

T/O £100k, 1 year old

### INDICATORS

- Too small to qualify for a loan/overdraft
- Rapid growth
- Bills customer for yearly software licenses

### GROWTH PLANS

Looking to grow into new office space within the next year

A man with glasses and a goatee, wearing a brown denim shirt and a blue leather apron, is focused on his work. He is standing in a coffee roasting facility, with large stainless steel roasting drums visible in the background. He is looking down at a wooden tray filled with dark coffee beans. The scene is lit with dramatic, low-key lighting, highlighting the man's concentration and the textures of his clothing and the beans. The background is slightly blurred, showing more of the industrial setting.

# CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

# INTRODUCTION

The Coronavirus Business Interruption Loan Scheme (CBILS) was introduced to provide financial support for SMEs across the UK through a government lending guarantee.

CBILS lending solutions are designed to help businesses that are losing revenue and seeing their cash flow disrupted as a result of the coronavirus pandemic.

## ELIGIBILITY\*

- They're a Limited company or LLP registered in the UK
- They sell goods or services to other businesses (B2B), if applying for a CBILS revolving credit facility
- The turnover is between £100,000 and £45 million
- They've filed a minimum of 2 years accounts at Companies House, if applying for a CBILS loan
- One or more of the company's directors lives in the UK
- Neither the company nor any of its directors are currently facing any insolvency or bankruptcy procedures
- The company doesn't have any unpaid CCJs worth more than £250 if applying for a CBILS loan or £2,000 if applying for a CBILS revolving credit facility
- Their application would've been viable (based on our normal eligibility criteria) even if there wasn't a coronavirus pandemic
- The company has been impacted by the coronavirus pandemic

\*T&Cs apply

## CBILS revolving credit facility

With our revolving credit facility, your clients can get an advance against their outstanding invoices and say goodbye to those gaps in cash flow.

### HIGHLIGHTS

- **Amount of funding**  
Facilities from £50,001 up to £1.5 million
- **Term**  
Your clients have two options. They can choose a flexible facility that they only use as and when they need it to advance funds against a few select invoices. Or, they can opt for a subscription facility that gives them ongoing and regular access to funds from as many invoices as they like.
- **What they pay**  
The service/subscription and listing fees, as well as the interest, are paid for by the government for the first 12 months. Note that the government won't cover any additional fees – for example, the fee they might pay in the case of a default.
- **Security**  
We may take a debenture. We may also take a Personal Guarantee if they're applying for a CBILS revolving credit facility of £250,000 or more.

## CBILS loan

Are your clients looking for an instant cash injection? They can get the funds they need interest free for 12 months to weather the storm and get on with running their business.

### HIGHLIGHTS

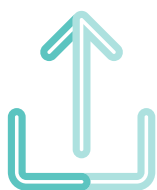
- **Amount of funding**  
Loans from £50,001 up to £250,000
- **Term**  
Choose to pay back the loan over 2 or 5 years
- **What they pay**  
When they repay a loan, the amount they pay is made up of the principal (i.e. the funds borrowed) and interest (paid on the funds borrowed). With a CBILS loan facility, the monthly/weekly repayments will only include the principal for the first 12 months because the government makes interest payments on their behalf. The client can apply to have the first year fully repayment free and can start making capital repayments in years 2 and 3. After the first 12 months, their monthly/weekly repayments will be made up of both the principal and the interest. There's no charge for repaying the loan early.
- **Security**  
We require an individual with significant control to be a homeowner, although we don't require a Personal Guarantee.



# SELECTIVE INVOICE DISCOUNTING

# INTRODUCTION

Selective invoice discounting allows your clients to get an advance against specific invoices, from a single or handful of customers.



## EASY TO USE

Smart online platform reduces admin



## QUICK RESPONSE

Application in minutes, same-day quote



## STRAIGHTFORWARD COSTS

No hidden fees



## PERSONAL SERVICE

Dedicated account manager

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## IMPORTANT INFORMATION

### TERMS

Your client can choose from a contract option or pay-as-you-go option based on their funding needs

### HERE'S WHAT WE CHARGE

- **Service fee:** on the pay-as-you-go option, this is a percentage of the invoice face value (clients who choose the contract option will pay a fixed monthly fee for the facility)
- **Discount fee:** a charge on the funds your client uses
- **Listing fee:** a £15 fee to cover the cost of CHAPS payments to send funds

# WHO WE CAN FUND

## HERE'S OUR ELIGIBILITY CRITERIA

- ✓ Limited or LLP company based in the UK
- ✓ Minimum turnover of £100,000 p.a. or annualised income from current year's trading

## HERE'S WHO WE CAN SUPPORT

### **WE CAN SUPPORT BUSINESSES THAT:**

- Are start-ups, provided they can demonstrate the minimum required revenue
- Are phoenix companies, trading more than 3 years out of previous business failure
- Operate in industries where contractual debt is common such as construction; we have slightly different eligibility criteria and funding parameters for contractual debt, please see pages 12-14.

### **WE CAN'T SUPPORT BUSINESSES THAT:**

- Have current insolvency notice or proceedings against them
- Outstanding CCJs\*
- A principal owner or director that is disqualified, bankrupt or subject to any other form of personal insolvency

\*Please note we may be able to support businesses once the CCJ has been settled

# WHAT YOU NEED TO KNOW

<b>FACILITY TYPE</b>	Confidential or disclosed
<b>FUNDING PURPOSE</b>	Working capital, debt refinance, asset purchase and business acquisition including MBOs & MBIs
<b>MINIMUM TERM</b>	No minimum term
<b>ADVANCE RATES</b>	Up to 90% depending on sector and client. e.g: <ul style="list-style-type: none"><li>– Advertising, media, technology, temp recruitment: 85%–90%</li><li>– Construction: 65%</li><li>– Wholesale &amp; Retail: 75%–80%</li><li>– Start-ups: 70%–75%</li></ul>
<b>CURRENCIES</b>	We fund in multiple currencies
<b>DEBTOR CONCENTRATION LIMITS</b>	No pre-defined limits; these are assessed on a case-by-case basis
<b>ELIGIBLE DEBT</b>	<b>We typically fund:</b> <ul style="list-style-type: none"><li>– Invoices for a duration between 30 and 120 days</li><li>– Export debt to approved territories, including most of the EU and OECD</li></ul> All credit worthy debtors are supported
<b>EXCLUDED SECTORS</b>	<b>We can't fund:</b> <ul style="list-style-type: none"><li>– Permanent recruitment</li><li>– Commodities</li><li>– Financial intermediaries or financial lending</li></ul>
<b>SECURITY</b>	We require an assignment over the funded invoices which must be unencumbered from any prior charge or interest.  Whether additional security is required will be assessed on a case-by-case basis.
<b>ADD-ONS</b>	For businesses that are looking for additional services, we partner with Euler Hermes (who offer credit insurance) and Veritas Commercial Services (who offer credit control).

**CONSTRUCTION AND CONTRACTUAL DEBT:** We have slightly different parameters for clients in construction and other industries operating with contractual debt. Please see pages 15–17.

# HERE'S HOW SELECTIVE INVOICE DISCOUNTING WORKS

## 01 APPLY

Please contact your dedicated partnerships manager or email [partner@marketfinance.com](mailto:partner@marketfinance.com) to discuss your client in more detail.

**What's needed to complete the application:**

- Full accounts (P&L, balance sheet and any notes to the balance sheet)
- Last 3 months' bank statements

For limits above £100k, we may request an up-to-date Sales and Purchase ledger. We may need further information depending on industry and limit sizes.

## 02 UPLOAD

Your client's account will be set up and they'll be able to add their debtors to their account. We'll set up a new bank account for your client and ask that they update their debtors with their new account details.

Next, they upload their invoices to be funded in what is called a trade. They'll need to enter the name of their debtor(s), invoice details and contact details for their debtors for verification.

## 03 VERIFY

We'll verify the invoice details with the debtor, either confidentially or on a disclosed basis, depending on the facility type approved for your client. Once we have received the verification, we will submit your client's trade to our network of investors to provide funding.

## 04 FUND

We operate two trading sessions with our investors each day at 12.00pm and 5.00pm. If the trade is funded by 12.00pm, the money is transferred to your client's bank account the same day, otherwise they'll receive the funds the next working day.

# EXCEPTIONS FOR CONSTRUCTION AND OTHER INDUSTRIES WITH CONTRACTUAL DEBT

The construction sector is a vital part of the UK economy and we're keen to support good quality businesses operating in the sector. In this section, we outline our approach for contractual debt through selective invoice discounting.

## WHAT IS CONTRACTUAL DEBT?

A debt is considered contractual when it has any of the following characteristics:

- i. There are features such as staged or milestone invoicing, retentions, general rights of set-off, liquidated damages and performance warranties or bonds from a third party
- ii. Quantity Surveyor (QS) sign-off is required for the application for payment or invoice to be paid
- iii. The nature of work completed by your client (regardless of their industry sector) falls under a defined contract agreement with a debtor who is either the main contractor or a sub-contractor under a project
- iv. The contract is subject to Joint Contracts Tribunal (JCT) or Royal Institute of British Architects (RIBA) contract terms
- v. The method of requesting payment from the debtor is via an application for payment

# WHAT YOU NEED TO KNOW WHEN FUNDING CONSTRUCTION/ CONTRACTUAL DEBT

<b>FACILITY TYPE</b>	Confidential or disclosed
<b>FUNDING PURPOSE</b>	Working capital, debt refinance, asset purchase and business acquisition including MBOs & MBIs
<b>MINIMUM TERM</b>	No minimum term
<b>ADVANCE RATES</b>	For UK debtors: 65%. For non-UK debtors: 65%
<b>CURRENCIES</b>	We fund in multiple currencies
<b>DEBTOR CONCENTRATION LIMITS</b>	We can support businesses with single debtor concentrations up to 50% of their overall sales ledger
<b>ELIGIBLE DEBT</b>	<p><b>We can fund:</b></p> <ul style="list-style-type: none"><li>– Signed valuation payment certificates from the QS authorised to approve payments on behalf of your client's debtor</li><li>– Export debt to approved territories, including most of the EU and OECD</li><li>– CIS tax, but only if your client is registered with HMRC to receive payments gross of CIS tax</li><li>– Uncertified applications for established clients with at least £1 million revenue</li></ul> <p>All credit worthy debtors are supported</p>
<b>EXCLUDED DEBT</b>	<p><b>We can't fund:</b></p> <ul style="list-style-type: none"><li>– Any debt subject to a prior charge where the charge holder will not provide a satisfactory waiver</li><li>– Retentions</li><li>– Debt to private individuals</li><li>– VAT on self-billing or authenticated receipt applications</li></ul>
<b>SECURITY</b>	<p>The minimum requirement is a Personal Guarantee from at least one of the principal owners/directors. For higher limits, an all asset debenture may be required.</p> <p>Where your client is part of a wider group of companies, we may require a Corporate Guarantee from the parent company and any other associated companies where there is a high reliance or interdependency.</p>
<b>ADD-ONS</b>	For businesses that are looking for additional services, we partner with Euler Hermes (who offer credit insurance) and Veritas Commercial Services (who offer credit control).

# ADDITIONAL REQUIREMENTS WHEN FUNDING CONSTRUCTION/ CONTRACTUAL DEBT

## ○ APPLYING

### WHO CAN WE FUND?

Your client will need to have been established for at least 12 months.  
We would therefore not fund new start or phoenix companies.

### APPLICATION MATERIALS

#### **What's needed to complete the application:**

- Full accounts (P&L, balance sheet and any notes to the balance sheet)
- Last 3 months' bank statements
- A copy of the contract(s) your client would like funded

For limits above £100k, MarketFinance may request an up-to-date Sales and Purchase ledger.

#### **For limit requests of £750k and above, we will need to conduct a pre-lend survey to:**

- Review the contracts and payment processes agreed with the contractor
- Confirm that your client has sufficient experience, internal systems and processes to manage and operate contracts of this size
- Confirm that all underlying paperwork to support a collect-out of our exposure is satisfactory

This survey will be done by a QS appointed by MarketFinance. The cost of this will need to be paid by your client.

A photograph of three business professionals in an office setting, laughing and smiling. On the left, a man with a beard and glasses wears a black t-shirt. In the center, a woman with blonde hair and glasses wears a grey button-down shirt. On the right, a man with glasses wears a light blue button-down shirt. The background shows office shelves and a lamp. The image is overlaid with a dark blue diagonal shape on the bottom left and a teal diagonal shape on the bottom right.

# CONFIDENTIAL INVOICE DISCOUNTING

# INTRODUCTION

A confidential, whole ledger invoice discounting facility that is secured against all your client's outstanding invoices.



## **FAST FUNDING**

Request and withdraw same business day



## **EASY TO USE**

Smart online platform reduces admin



## **STRAIGHTFORWARD COSTS**

No hidden fees



## **PERSONAL SERVICE**

Dedicated account manager who understands your client's business

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## **IMPORTANT INFORMATION**

### **TERMS**

Your client signs a minimum 12 month contract

### **HERE'S WHAT WE CHARGE**

There are just two fees, charged monthly:

- **Subscription fee**, a fixed monthly fee
- **Discount fee**, a charge on the funds your client uses

There are no arrangement, audit, payment or renewal fees

# WHO WE CAN FUND

## HERE'S OUR ELIGIBILITY CRITERIA

- ✓ Limited or LLP company based in the UK
- ✓ Minimum turnover of £500,000 p.a. and 2 years+ trading history; minimum turnover of £250,000 p.a. and 1 year of trading history with our credit control option\*
- ✓ Use one of our supported accountancy software packages†



\*Note: Supported accountancy software is not a mandatory requirement for our SID solution. See page 9 for more details.

## HERE'S WHO WE CAN SUPPORT

### WE CAN SUPPORT BUSINESSES THAT:

- Sell goods or services to other businesses on terms
- Have a regular funding need
- Have more than 5 active debtors in their book (however we can make exceptions on a case-by-case basis)
- Have strong sales management processes and procedures

### WE CAN'T SUPPORT BUSINESSES THAT:

- Operate in construction with contractual debt; however, we could fund these clients via selective invoice discounting (see pages 12-14)
- Are phoenix companies
- Have current insolvency notice or proceedings against them
- Have outstanding CCJs
- Have a principal owner or director that is disqualified, bankrupt or subject to any other form of personal insolvency

\*Credit control is available through Veritas Commercial Services

# WHAT YOU NEED TO KNOW

<b>FACILITY TYPE</b>	Confidential, whole ledger invoice discounting
<b>FUNDING PURPOSE</b>	Working capital, debt refinance, asset purchase and business acquisition including MBOs & MBIs
<b>MINIMUM TERM</b>	12 month contract with a 3 month notice period
<b>ADVANCE RATES</b>	Up to 90% on eligible debt
<b>CURRENCIES</b>	We fund in multiple currencies
<b>DEBTOR CONCENTRATION LIMITS</b>	We set our limits on a debtor-by-debtor basis and we can support businesses with single debtor concentrations over 50%
<b>ELIGIBLE DEBT</b>	<p><b>We can fund:</b></p> <ul style="list-style-type: none"><li>– Invoices with repayment due within 120 days for approved debtors</li><li>– Export debt to approved territories, including most of the EU and OECD; we can fund up to 100% of the approved sales ledger in some cases</li></ul> <p>All credit worthy debtors are supported</p>
<b>EXCLUDED SECTORS</b>	<p><b>We can't fund:</b></p> <ul style="list-style-type: none"><li>– Construction (although we may be able to fund good quality businesses operating in this sector through our selective invoice discounting solution, please see pages 15-17)</li><li>– Permanent recruitment</li><li>– Commodities</li><li>– Financial intermediaries or financial lending</li></ul>
<b>SECURITY</b>	<p>We require an all asset Debenture with first ranking priority over your client's book debts.</p> <p>We also require a Fraud Indemnity from one or more of the principal owners/directors.</p> <p>We will consider additional security (i.e. Personal Guarantee, Corporate Guarantee) on a case-by-case basis.</p>
<b>ADD-ONS</b>	For businesses that are looking for additional services, we partner with Euler Hermes (who offer credit insurance) and Veritas Commercial Services (who offer credit control).

# HERE'S HOW CONFIDENTIAL INVOICE DISCOUNTING WORKS

## 01 APPLY

Please contact your dedicated partnerships manager or email [partner@marketfinance.com](mailto:partner@marketfinance.com) to discuss your client in more detail.

### What's needed to complete the application:

- Full accounts (P&L, balance sheet and any notes to the balance sheet)
- Last 3 months' bank statements
- YTD management accounts and up-to-date Sales and Purchase ledger (note: this information will be pulled directly using the accountancy software integration, but can also be provided manually if preferred)

For facilities with a limit of £250k+ we'll also request a 12 month forecast – cash flow balance sheet and P&L

## 02 ACCEPT

Once we have all the information to assess your client's application, we'll set up a call or meeting to discuss requirements further.

### Purpose of the call:

To get a good understanding of your client's business, including its operation, financial performance, sales ledger management processes and the invoicing cycle with their key suppliers and customers.

### Survey visits:

We can arrange the survey at a time that's most convenient for your client. Prior to the visit, your client will receive an email from us with guidance on what to expect, and any additional information required. We'll look to confirm your client's internal processes and credit controls, quantify dilutions to the sales ledger and undertake various sampling tests on invoices and audit trail documentation.

### Offer letter:

If your client's application is approved, they'll receive an email confirming a formal offer, including the maximum credit limit, term, our fees, funding parameters and any conditions that will need to be met prior to activating the facility. The offer letter will need to be signed and returned by your client, along with any security documents.

## 03 ACTIVATE

There are two steps that are required for all clients to complete in order to activate their facility.

### **Change of bank account details for majority of debtors**

We'll set up a trust account for your client and ask them to update their debtors with the new bank account details.

### **Confirmation of outstanding balances for key debtors**

We'll need key debtors to confirm the total outstanding amount they have on your client's ledger. This will be done confidentially.

### **IN SOME CASES, WE MAY ASK FOR:**

#### **Inter-factor references**

If we are transitioning an existing invoice finance facility, we will require a satisfactory reference from the outgoing factor or discounter.

## 04 ACCESS

Once your client's account has been activated, they can request a withdrawal.

### **Withdrawing funds**

Withdrawal requests need to be made before 11.30am if funds are needed the same day. If funds are needed for the beginning of the next working day, the request should be made by 4.30pm.

#### **HANDY TIP**

#### **Dedicated support with onboarding**

Your client will have a dedicated portfolio manager to help them get their facility set up and make sure it's working in the best way for them.



# WORKING WITH US

# EARNING COMMISSION

You can earn competitive commission with every client that you introduce to MarketFinance.

## HOW IT'S PAID

In order to be paid commission, you'll need to register on the Partner portal and let us know the bank account details to pay into. You'll also be able to see total commission earned by client and any upcoming commission payments. We pay commission monthly, on the 5<sup>th</sup> working day of the month.

With our Partner portal, you can also:

- Start an application on behalf of your clients
- Track their progress through each stage of our application
- Choose which notifications you'd like to receive so that you can stay on top of your client's applications
- Find out the latest information about our products

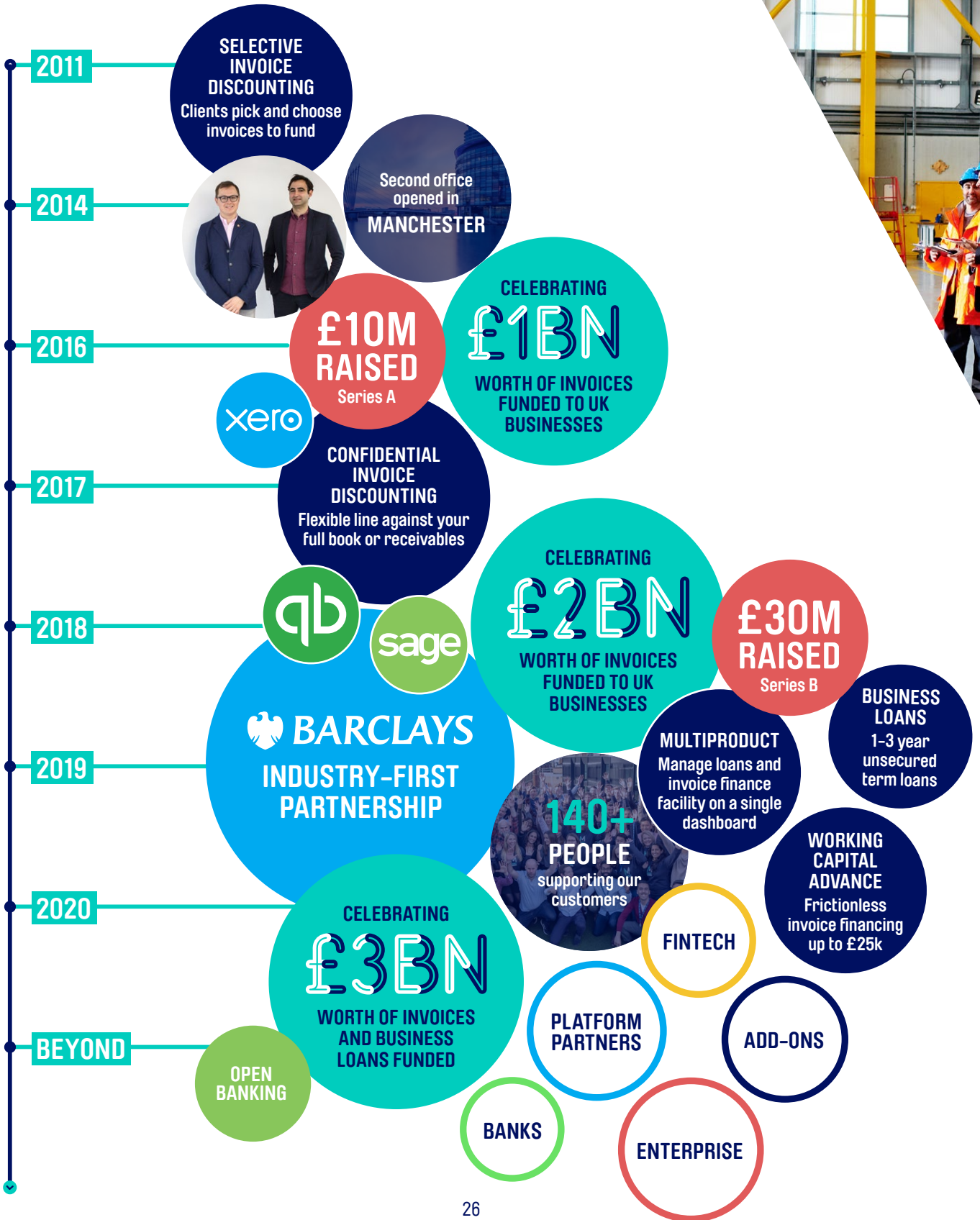
Please register at:

<https://p.marketfinance.com/PartnerApplication/home/Apply>

If you have any questions, please do not hesitate to get in touch with your Partnerships manager. Give us a call on **020 3784 4450** or email us at [partner@marketfinance.com](mailto:partner@marketfinance.com).



# BE A PART OF OUR JOURNEY



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**GET IN TOUCH**

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[marketfinance.com](http://marketfinance.com)