



# IFG E-LEARNING COURSE **TWO FACTOR** BUSINESS



... BECOME A TWO FACTOR EXPERT

## What is it?

The objective of the course is to prepare students to manage day-to-day operation of both Two-factor export and import business.



## Who is it for?

The course is suitable for recent entrants to the industry and support staff who wish to learn more about **international factoring** and the **two-factor environment**. There are no specific entry requirements.

## Practical Format

The course consists of **5 modules**, each of them to be completed by the student by answering a number of questions correctly before moving on to the next module.

<b>Module 1</b>	<b>Introduction to IFG</b>
<b>Module 2</b>	<b>The core principles of Two-factor</b>
<b>Module 3</b>	<b>Two-factor business practical aspects and risk issues</b>
<b>Module 4</b>	<b>Establishing and maintaining member relationship - the value of service quality</b>
<b>Module 5</b>	<b>Operational issues and correct usage of IFexchange</b>

## Registration

**Course fee:**  
IFG members:  
€ 250:-.  
Non-Members  
€ 500:-.

\* The **course registration form** is found on [www.ifgroup.com](http://www.ifgroup.com) under **E-learning**

## Students preparation

- Carefully study the official **IFG website**
- Look especially at the sections **IFG**, **Members** and **Two-Factor**
- Find and print the following documents:
  - Articles of Association
  - Rules between the Members
  - General Rules for International Factoring (GRIF)
  - DEX Manual

## Development

The e-learning platform is a project of **IFG Education Committee** developed over a period of **nine months**. The content as well as the questions underwent the scrutiny of both the Education Committee Members and the Legal Committee members.

# MODULE 1 - INTRODUCTION TO IFG

## AIM

This module intends to give you an overview of why and how the **Two-Factor** system came into existence and the framework in which it is structured within IFG.

You will also learn about the parties directly involved in a Two-Factor business and some of the most common variations within the Two-Factor product that you may experience when working in the international department.



## TOPICS

In this module you will find out more about:

- IFG's history
- The organization of the Group and the constitutional documents
- Management of the Group, its Board, committee's and officers

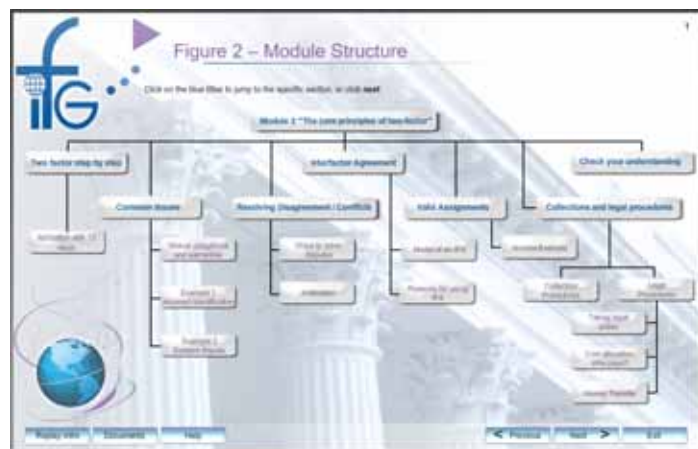


Figure 1 Module Structure

- Documents governing the Two-Factor business
- Overview of the Two-Factor variations
  - Full Factoring
  - Non Notification Factoring (NNF)
  - Fast Cash Factoring (FCF)
  - Collection Only
- Check your understanding **Multiple Choice Questions**

# MODULE 2 - THE CORE PRINCIPLES OF TWO-FACTOR

## AIM

In this module you will learn about the flow of information and basic transactions between the four parties involved in Two-Factor business.



## TOPICS

<b>Step by step</b>	Diagram and explanation step by step
<b>Obligations</b>	Mutual obligations and warranties Solving disagreements Arbitration
<b>Agreements</b>	Inter Factor agreements and their variations Valid assignment
<b>Legal procedures</b>	Collection & legal action <ul style="list-style-type: none"> <li>• Full Factoring</li> <li>• Collection only</li> <li>• Fast Cash Factoring - FCF</li> <li>• Non Notification Factoring - NNF</li> </ul> Transfer of money
<b>Test</b>	Check your understanding

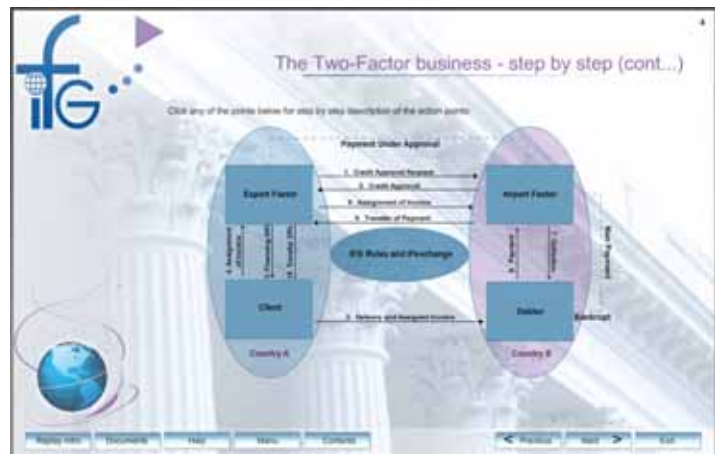


Figure 2 Two factor scheme

You will also learn about the most basic legal requirements that are pre conditional to even initiate the business.

# MODULE 3 - TWO-FACTOR BUSINESS - PRACTICAL ASPECTS AND RISK ISSUES

## AIM

In this module you will learn about both some of the regular credit risk issues as well as operational risk issues that should be identified and how to deal with them - or indeed: how to live with them.

Finally a case study will illustrate the competitive selling points for Two-Factor solutions.

## TOPICS

- Credit Risk
- Credit approval process
- Cancellation - Reduction
- Effect of disputes
- Payment under Credit Cover
- Mutual obligations and warranties
- Export Factors contract with the client, mirroring etc.
- Money Laundering
- Good faith
- Case study – selling points for Two-Factor business
- Check your understanding



Compared to other cross border factoring solutions the **Two-Factor business** should be considered as a relatively safe factoring business. As is the case for all business transactions there are however risk issues to be observed and mitigated.

# MODULE 4 - ESTABLISHING AND MAINTAINING MEMBER RELATIONSHIPS - THE VALUE OF SERVICE QUALITY

## AIM

This module will bring you closer to the practicalities of choosing the business partners that you, as an Export Factor, will be entrusting your business to and the welfare of both your own business and that of your clients. Equally it will deal with Import Factors' considerations when deciding whom he would feel comfortable receiving business from.



## TOPICS

- IFG website
- Contact Information (CI)
- Commission Scheme (CS)
- Two countries scenario
- Company Profile
- Factor Information Sheet (FIS)
- IFG education & events
- Content Driven Seminars
- Networking events
- Annual meeting
- Promotion events
- 2009 Program
- Other networking opportunities
- "The human touch"
- Service Quality Program (SQP)
- Key factors for success
- Purpose

We will walk you through both the **written documentation** on the prospect business partners as well as the **options to meeting them "face to face"**. Finally we will examine the content of the annual **Service Quality Program** that represents an additional tool to choose your partners

# MODULE 5 - OPERATIONAL ISSUES & CORRECT USAGE OF IFEXCHANGE

## AIM

The ambition surrounding this module is not to make you an expert in operating the IFexchange system or to enable you to build an interface from and to the backend of your own factoring system. For this purpose IFG offer comprehensive documentation through the IFexchange manual and its Operational Seminars.

The ambition is merely to bring an understanding of the logics of the system e.g. by showing examples of the content and sequences of some of the most frequently used messages/transactions.

## TOPICS

- Introduction
- How to get started
- Setting up users
- The **structure** of the messages
- The rationale of the structure – with example
- Understanding the **logical flow** in **Ifexchange**
- The sequences and validation
- The **Perfect transaction flow** – case study
- Reading and understanding various reports and statistics
- Communication outside IFexchange
- Check your understanding



## FINAL EXAM

There are **30 questions** in the final exam. There is no penalty for wrong answers. Students have to complete all the questions in maximum **30 minutes**. The students can take the exam as many times as they like but we will only consider their **first result** for future reference.



For further information you may contact our office:

**IFG**

Av. R. Vandendriessche, 18 ( Box15)  
B - 1150 Brussels  
Belgium

Tel: +32/2/772-6969

Fax: +32/2/ 772-6419

E-mail: [s.sabatelli@ifgroup.com](mailto:s.sabatelli@ifgroup.com)  
[www.ifgroup.com](http://www.ifgroup.com)

**INTERNATIONAL FACTORS GROUP SCAL**

Avenue R. Vandendriessche, 18 (box 15) - BE-1150 Brussels - BELGIUM  
Tel: 32/2/772-6969 - Fax: 32/2/772-6419 - Website: [www.ifgroup.com](http://www.ifgroup.com) - E-mail: [info@ifgroup.com](mailto:info@ifgroup.com)  
VAT: BE 0420.306.542 - HBC Bank: 733-0466669-32 - IBAN: BE90 7330 4666 6932 - SWIFT: KREDBEBB

**"CONNECTING AND SUPPORTING THE COMMERCIAL FINANCE INDUSTRY WORLDWIDE"**

