

KRIYA

Selective invoice discounting

FAQs



How do I get started?

– 01 Add

Add one or more customers to your Kriya Lending account.

– 02 Arrange

Arrange for your customers to pay into a new Barclays trust account in your company's name (it's free of charge and we'll set this up for you).

– 03 upload

Upload the invoices you want to trade along with their supporting documents.

These include (where applicable):

- Copy contracts or sale Ts & Cs
- Purchases orders
- Any copies of signed proof of delivery or satisfaction notes from your customer (these confirm that the work relating to the invoice has been done)

Note: The more information you can provide the better. It's important that you have fully completed all the work stated in the invoice before you upload it to the platform. You must also notify us if there are any sums that you owe to your customer (known as contra trading) or have agreed to any discounts, rebates, credit notes or any other deductions that would reduce the amount your customer is due to pay you below the invoiced amount.

– 04 Nominate

Nominate a verification contact for your customer.

– 05 Assess

Once the invoices are submitted, we'll need to assess that your customer is creditworthy for the amount of funding required and verify the invoices with them.

Why does my customer pay into a trust account?

As we take an “assignment” over the invoices we fund (which means you transfer the legal ownership of them to us), it’s an important security requirement that the proceeds are paid directly to us by your customer. When your customer pays an invoice, the full amount goes into the trust account. We’ll deduct our fees and transfer the remaining balance to your business bank account. Fees only apply to the invoices that are funded. Any other invoices from your customer will be transferred into your business bank account, free of charge.

What is invoice verification and why is it necessary?

As part of our process, we need to assure our investors that there aren’t any discrepancies with the invoice they’re funding. This includes checking that the invoice is approved and that its details are correct.

At this stage, we’ll also confirm the new trust account details with your customer.

How does it work for the first trade?

If it’s your first trade with a new customer, we’ll need to call them to confirm the invoice and bank account details. We’ll ask you to notify your customer in advance of our call so that they’re aware that we will contact them.

When we contact your customer by telephone we’ll never openly disclose the fact that we are calling on behalf of Kriya Lending. Our preferred approach is to say that we are calling on behalf of [your company name] or are the finance partner for [your company name]. We may only disclose the name of Kriya Lending in our verification calls if we are specifically asked to do so by your customer.

If you have an alternative preference regarding how we contact your customers, please let us know.

How does it work for subsequent trades?

For subsequent trades with the same customer we can use an automated email tool called “**Verification Cloud**” to verify the invoices.

When you submit a trade on our platform, Verification Cloud will send an automated email to your customer (using the contact email address you have provided) asking them to confirm the invoice details.

Your customer will simply click a link on the email to say that the invoice(s) are approved for payment. If your customer has satisfactorily settled trades with us this is usually the only time we’ll need to contact your customer.

Are other verification options available?

Yes. The Verification Cloud email may not be suitable for all businesses so we're happy to find alternatives. Other options include:

DIRECT EMAIL VERIFICATION

Kriya Lending may be cc'd directly on email correspondence between you and your customer. The email needs to reference the invoice number, purchase order (PO) number, the invoice amount and bank payment details.

Please note we can only accept email verification where we are directly copied into the email (i.e. we cannot accept emails that you "forward" to us from your customer).

CUSTOMER PORTALS

If your customer uses portals to confirm invoices and payments due we can use these as an acceptable source of verification. Just provide us your login details and we can access this directly.

Will this damage my relationship with my customer?

We'll always consult with you on when and how you would like us to talk to your customer. We never directly chase your customer for payment when verifying invoices, so you maintain **full control over your relationship**. If you need a fully confidential service, we'll work with you to find a solution.

What happens once my invoices are verified?

Your invoices will be automatically uploaded to our platform and traded during one of our two trading sessions, either at 12pm or 5pm.

What happens if an invoice is overdue?

We'll need early clarity from you on any delay or dispute with payment of a traded invoice. This means you'll need to contact us no later than 7 days after its expected payment date has passed to update us on the situation. If an invoice is overdue, a member of our team will contact you first and we will only contact your customer if the invoice is significantly overdue or we have reason to believe there is a dispute / your customer may have already made payment elsewhere.

Do I get a stub (remainder) when each invoice is paid, or do I only get the remainder when the entire trade is settled?

The stub is our safety net in case of a dilution, so you'll receive the remainder when the entire trade(s) are settled.

Once I submit a trade request, when can I expect to receive funds?

We have two bidding sessions (12pm and 5pm), so withdrawals need to be submitted before 11.30am or 4.30pm to get into the next session. Funds typically arrive within two hours of the start of a bidding session.

Does the interest (discount) accrue on the net advance or gross advance?

Interest accrues on the gross advance, which is the amount before the Kriya Lending Seller Fee is subtracted.

I have no Kriya Lending trades outstanding, why am I being asked to send in a remittance note?

As part of our Anti-Money Laundering requirements, if we receive money into your account from a debtor we don't recognise or with a payment reference we don't recognise, we'll have to validate the source of the funds. By providing an invoice/remittance note and adding the entity/person to your customer list on the platform, you're confirming that it's a valid relationship.

What happens when a trade goes overdue?

It's important that you proactively follow up with your customers to confirm that the debt will be paid on the expected payment date.

In case your debtor pays late, there's usually a two-week buffer placed on trades to allow time for payment to reach us. After that buffer expires and the trade goes overdue, we'll send you an email asking for an update. **Please provide substantial evidence, in the form of a remittance note or an email**, from your debtor confirming the payment is due/ delayed. **A note from you stating that the debt is being chased will not suffice.**

If it's been ten days after the expected payment date and we haven't received either payment or an update, we'll send you another email. At this point, you'll have the option to voluntarily repurchase the debt or propose a repayment plan. You may be able to request an extension on time based on the reason for the delay in payment.

If the above steps aren't taken, we'll issue a Demand for Repurchase on Day 17. This requires you to repurchase the invoice by paying the outstanding balance and a repurchase fee of 10% of that balance. We'll also perfect assignment, which requires us to notify your debtor of the assignment. We may also use any unrelated funds in your trust account to reduce the overdue balance.