

A background image showing a person's hands holding a tablet computer. The tablet screen displays a financial dashboard with various charts and data. The image is partially obscured by a large yellow graphic element on the left side.

# The Invoice Finance Specialists

[www.i-discounting.co.za](http://www.i-discounting.co.za)

# Our Product Offering Invoice Discounting

We provide a flexible and fast solution to our clients. Our process and documentation is simple and straight forward to enable you to discount your invoices with the minimum effort.

In order for us to discount your invoices there are two very important factors that needs to be in place:

01

We need to obtain credit insurance on your debtor. We have a credit insurance policy with Credit Guarantee and we insure all the debtors invoices that we discount. Without the credit insurance in place we cannot discount your invoice. This also minimises your risk if you haven't insured your debtors. I-Discounting also bares the costs associated with the credit insurance;

02

The debtor needs to pay the discounted invoices directly into our bank account. This is not a problem with the majority of debtors as the process of discounting your invoices has become common practice in our economy. We will provide you with an instruction letter that you can put on your letterhead informing your debtor that future payments must be made to I-Discounting directly based on the invoice discounting agreement that you have entered with them.

Once we have the credit insurance in place and the debtor has amended the banking details the process is very straightforward from here. You continue to issue your invoices directly to your debtor, nothing changes in that regard. You then send us copies of the invoices or statement that you would like to discount. We will confirm these invoices with your debtor via email and send you a one page invoice discounting agreement to sign. Once we receive the signed agreement back we can process payment to you which will be made available immediately, regardless of who you bank with. We can discount up to 80% of the invoice value and will pay the balance of 20% once the debtor pays us.

Through this process you don't have to wait for payment from your debtors anymore for 30 or 60 days. As soon as you have invoiced them we can pay you immediately and we will wait for your debtor to pay us. This way you instantly free up cash flow in your business.

# Benefits of Our Invoice Discounting Solution

- We don't take control of your whole debtors' book – only the specific debtors that you would like to discount;
- The flexibility of the solution in that you decide which debtors invoices you want to discount and when you would like to discount them;
- We can discount up to 85% of the invoice value and when the relationship has been established we can increase that percentage to 90% of the invoice value;
- You don't have to sign up or enter into a 12 month contract with I-Discounting – you can make use of our solution as and when you require to do so and stop making use of it at any given point in time;
- We don't charge any monthly fees or fixed costs – you only pay for the amount of time your invoices are outstanding;
- We arrange same day real time clearance payments into any bank account;
- Minimum paperwork required.

## Target Market

The traditional banks also provide invoice discounting services but the red tape involved can sometimes be too much for certain clients. The banks also focus on the larger more established companies with strong balance sheets. That is where our value proposition lies in that we don't focus on our client from a risk perspective but rather on the debtor who is responsible for paying the invoice. Our focus is to service the smaller SMME's that want to discount invoices of between R250 000 – R10 000 000 per month.

The majority of our clients are in the following industries – Transport, Retail, Telecommunications, Construction and Manufacturing.

Debtors that we have been dealing with include, but are not limited to, the following:

**Transport** – DP World, Crossroads, Mpack, Macsteel, AGL Group, South 32, C Steinweg Bridge

**Retail** - Shoprite Checkers, Pick n Pay, Spar, Takealot, Wellness Warehouse, Faithfull 2 Nature

**Telecommunications** – MCT, Vumatel, Light Fibre, Frogfoot, Technoline, Corline, FibreUp, Clearline

**Mining** – Samancor Chrome, Sedibeng, Zarbon Coal, Ikwezi Mining, IPP Mining

**Manufacturing** – Pepkor, Massmart, Massbuild, Sea Harvest, Makro

## Cost

The discounting fee that we charge can vary depending on the amount discounted and the quality of the debtor who is paying the invoices. Our fee varies between 0.1% - 0.13% per day or 3% - 3.9% per month. The discounting fee is calculated pro rata on a daily basis for the exact amount of days your invoice is outstanding for. We also charge a nominal service fee of R300 per discounting transaction.

## Example

Invoice Amount	R 250 000
Discounted portion (85%)	R 212 500
Discount period	30 Days
Discounting fee @ 3.9% per month	R 8288
Service fee	R 300
1st payment to client	R 203 912
2nd payment to client - Retention	R 37 500

(Paid to client when debtor pays I-Discounting)



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