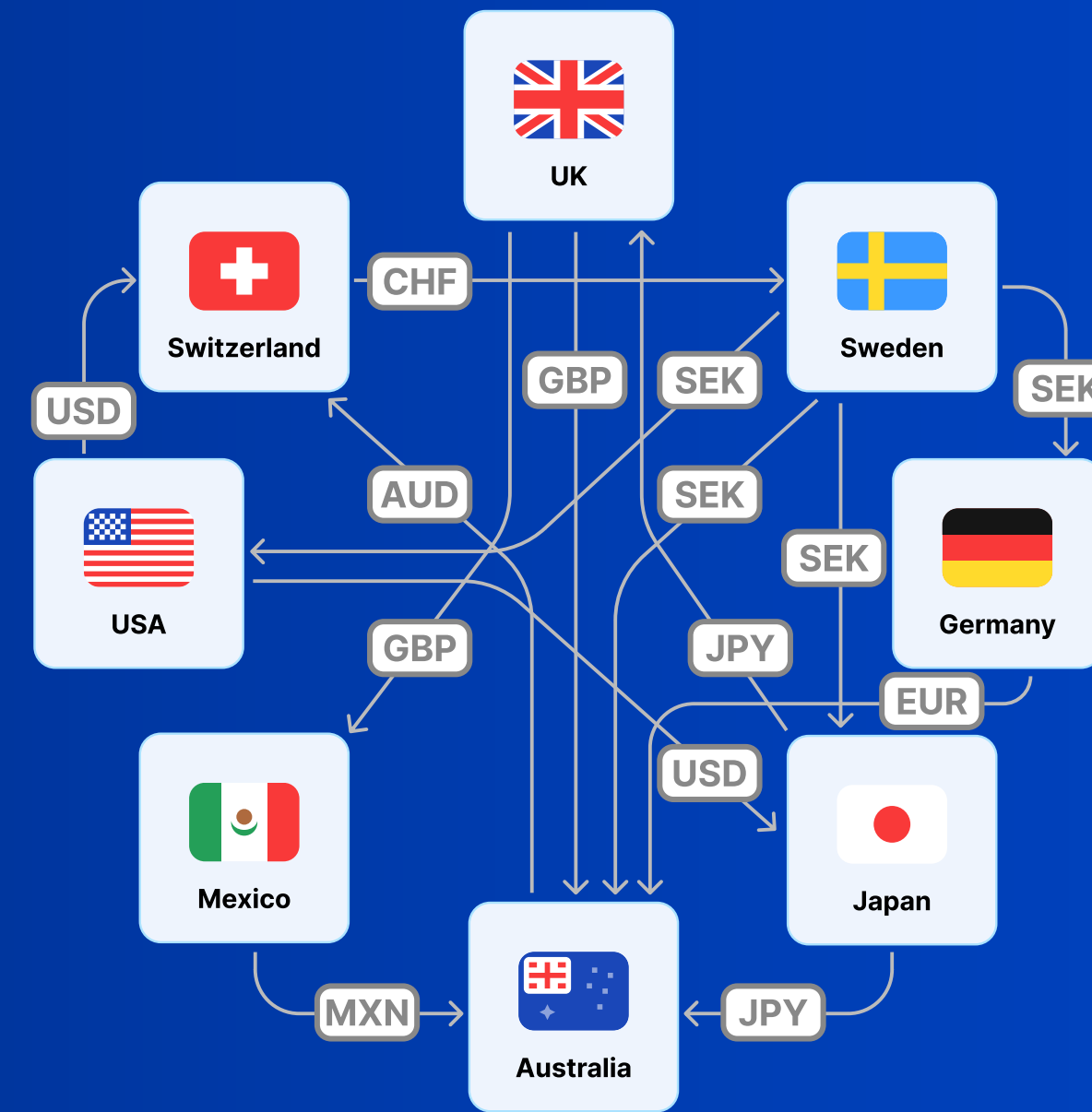


# Eliminate unnecessary payments and centralize FX exposures

Ripple Treasury's multilateral netting module allows treasurers to streamline their intercompany netting settlement process, add new automated efficiencies into their workflows, and cut costs significantly by reducing payments and FX volumes.



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# Introduction to Ripple Treasury Netting

## What is netting?

Reconciling intercompany exposures and managing payments in multiple currencies between subsidiaries can be challenging. Each entity typically handles its own AR and AP and converts to base currency in order to make intercompany payments, which results in paying multiple transaction fees. With Ripple Treasury Netting, you can streamline the intercompany payment process by centralizing all your FX exposures and reducing cross border transfers by as much as 70%.

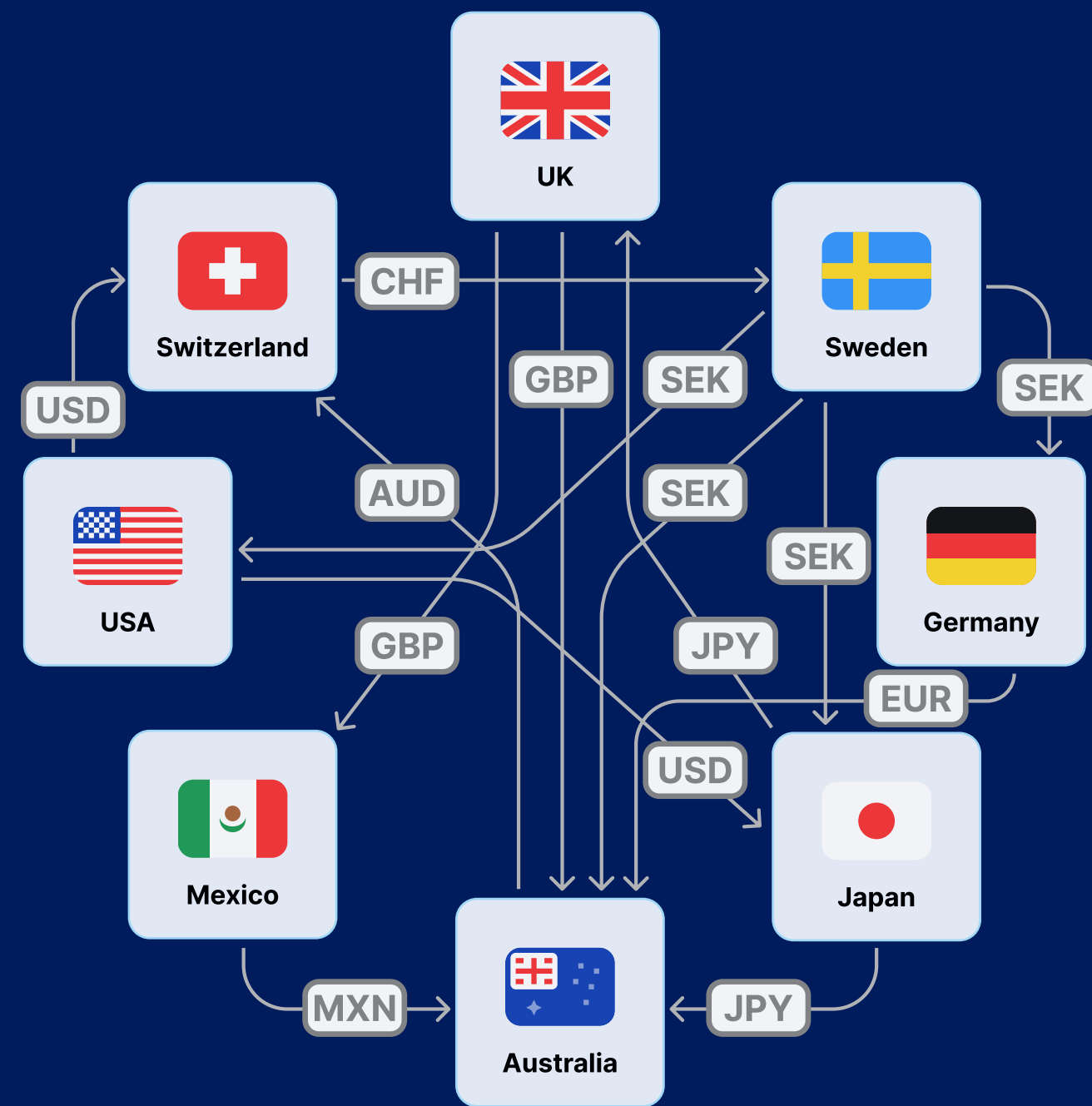
By unifying subsidiaries in a corporate group, they can convert all intercompany transactions into a single transaction in their home currency. This net amount is paid to — or received from — a central netting center, reducing your credit and settlement risks. This means lower costs, streamlined operations, and reduced exposures, all conveniently integrated with your Ripple Treasury platform or offered as a standalone solution.

## How does it help?

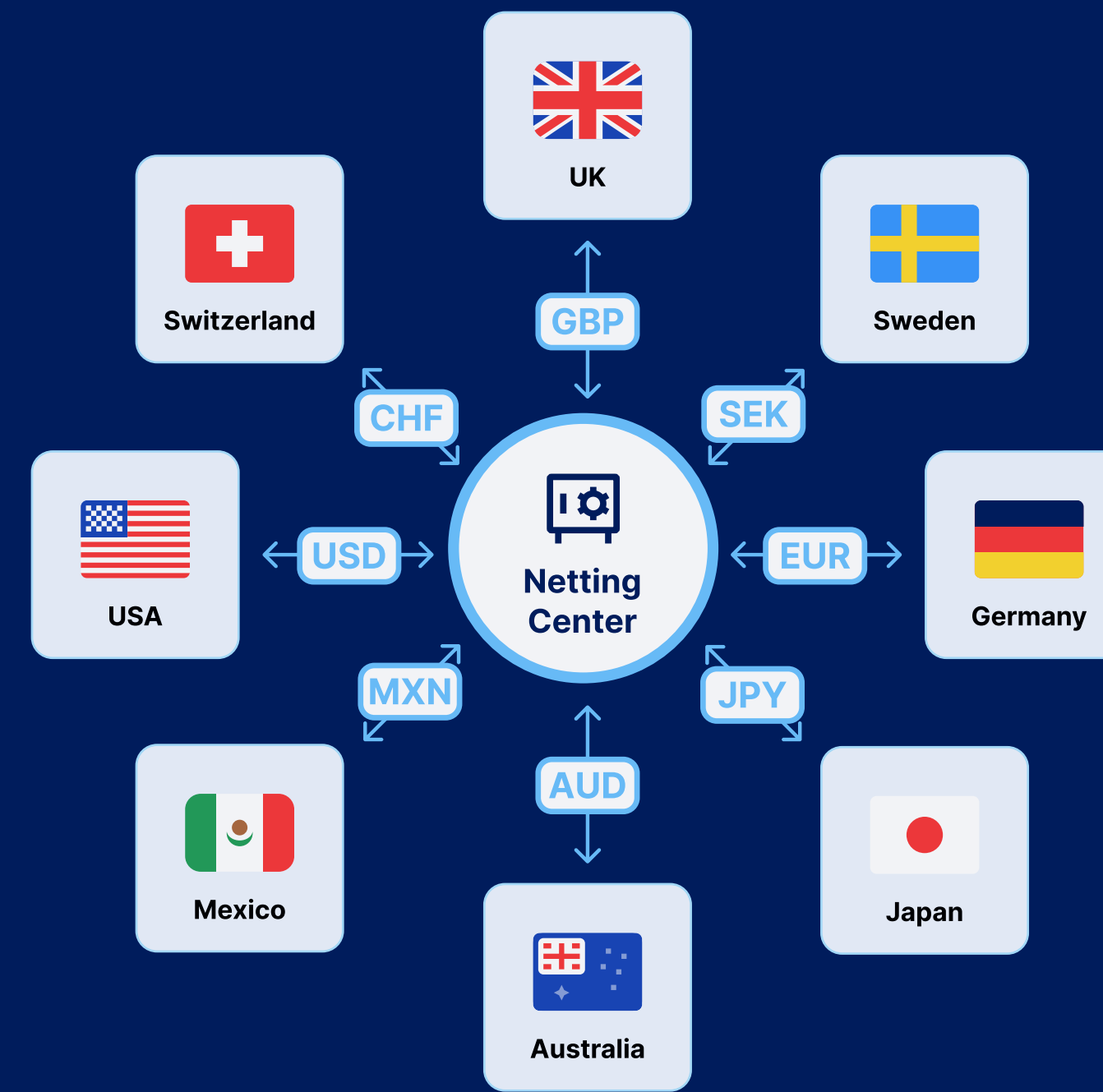
Adding structure to your intercompany payment process has many benefits. By streamlining your intercompany payments, you're able to reduce costly FX deals and high bank fees. You also get full visibility over all payments, which makes it easier to manage deadlines and hedge accurately. Consolidating payments helps align intercompany bookings, reducing administration work and eliminating discrepancies in balance sheets.

Without netting, intercompany payments are constantly being converted. **Not only is it confusing, it's costly.** By funneling all transactions through a netting center, conversions can be minimized as payments are made in their original currency.

# Reduce FX costs & confusion with intercompany netting



Without netting



With netting

# Benefits of netting

	Problem	Solution	Benefits
Netting	<ul style="list-style-type: none"> <li>• Small/numerous/costly FX deals at subsidiaries</li> <li>• Many payments with high bank charges</li> <li>• Uncertainty on the payment date</li> <li>• Difficult/costly to hedge</li> <li>• Time-consuming reconciliation work</li> <li>• Large mismatch on intercompany bookings</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible calendar-based netting system</li> <li>• Upload both AP and AR (optionally using API)</li> <li>• Automatic matching</li> <li>• Invoice-level discussion and dispute tool</li> <li>• Online browser-based solution</li> <li>• Report writer</li> <li>• Interfaces to banks and ERP systems</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer payments — ideally, one per participant</li> <li>• Less float — fewer banks are needed</li> <li>• Less FX — remaining FX traded at better rates</li> <li>• Simplified payment procedures across the group</li> <li>• Brings structure and discipline to intercompany</li> <li>• Visibility of intercompany across the group</li> <li>• Improves forecasting</li> </ul>
Reconciliation	<ul style="list-style-type: none"> <li>• Delays/incorrect booking of AP</li> <li>• Mismatches on the consolidated balance sheet</li> <li>• Reconciliation challenges, numerous e-mails</li> <li>• Auditors are pushing for solutions and under time pressure</li> <li>• Considerable manual workload at every subsidiary and centrally</li> <li>• Reconciled data and documentation are often not stored centrally</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible reconciliation system</li> <li>• Calendar with reconciliation cut-offs</li> <li>• Upload ALL AP and AR for automatic matching</li> <li>• Mismatch analysis with drilldown</li> <li>• Dialoguing at invoice level</li> <li>• Online browser-based solution</li> <li>• Reporting</li> <li>• Interface with consolidation system</li> </ul>	<ul style="list-style-type: none"> <li>• Faster closing</li> <li>• Cost savings — less time spent</li> <li>• Subsidiaries can concentrate on mismatches</li> <li>• Great online visibility of all transactions</li> <li>• Flexible grid to filter/sort/find data</li> <li>• Central storage of all AR and AP data for the group</li> <li>• Many reports available</li> <li>• Archiving of (and access to) historical data</li> </ul>
Vendor payments	<ul style="list-style-type: none"> <li>• Many payments with high bank charges spread globally</li> <li>• Small/numerous/costly FX deals at subsidiaries</li> <li>• No corporate hedging — can cost 1% on amounts sent</li> <li>• To pay vendors the subsidiary may need financing</li> <li>• No overview on the volume paid to each vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Centralize payments</li> <li>• Use fixed payment runs (weekly/monthly)</li> <li>• Upload all AP invoices to the system</li> <li>• Upload vendor data from ERP system</li> </ul>	<ul style="list-style-type: none"> <li>• Fewer payments</li> <li>• Centralized FX gives better rates</li> <li>• Simplified payment procedures across the group</li> <li>• Reduced payment fees</li> <li>• Better liquidity planning</li> <li>• Efficient group financing</li> <li>• Less time spent for payments in the group</li> </ul>

## Ripple Treasury Netting features

Ripple Treasury Netting is one of the most advanced netting solutions that is part of a larger TRMS. Our solution is reliable, secure, and dependable. Beyond the solution, you will have full access to Ripple Treasury's expert support to help with any questions or concerns that arise.



### Other features include:

-  Matching and reconciliation
-  Vendor payments management
-  Flexible currency management
-  Discussion and disputes management
-  Real-time netting statements for all participants
-  Excluded module for bilateral payments
-  Api available to automate your interfaces

## About Ripple Treasury

Founded in 2012, Ripple is the leading provider of blockchain-based enterprise solutions across traditional and digital finance. Its solutions span global payments, custody, liquidity, and treasury management, serving as a one-stop shop for moving, storing, exchanging, and managing value. Ripple's stablecoin, RLUSD, and the cryptocurrency XRP underpinning these solutions allow Ripple and its customers to shape the modern financial system.



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 **ripple treasury**

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