



Business Finance in FX

Managing working capital, cash flow and international payments



BUSINESS FINANCE & INTERNATIONAL PAYMENTS

How foreign exchange influences working capital and cash flow

An internationally active business can be profitable on paper yet experience pressure on cash if foreign-currency payments arrive or fall due at the wrong time.

FX exposure is also a cash-flow issue

An importer that orders in USD but invoices customers in GBP carries more than an exchange-rate risk. Deposit requirements, supplier lead times, shipping schedules and the timing of customer receipts all affect how much working capital is needed. A rate movement between purchase order and settlement may reduce the cash left available for payroll, investment or stock.

Understand the timing mismatch

Map the points at which a commitment is made, a deposit is paid, goods ship, the final balance settles and customers pay. The relevant currency exposure may begin before the cash changes hands. For exporters, an invoice in another currency can create an exposure until proceeds are received or hedged.

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The best FX arrangement is one that works with cash flow, rather than against it.

Finance and treasury questions worth asking

Does the business know its net exposure across currencies, rather than just individual transfers? Are payment dates supported by a documented forecast? Could a different purchasing schedule reduce cash pressure? Would an appropriate forward contract or other treasury arrangement help secure budgeting certainty, bearing in mind collateral, credit and product risks?

The Freedom Global perspective

Freedom Global helps businesses assess FX cost and operational needs together. That includes examining the spread in existing rates, identifying the true payment timetable and facilitating introductions to suitable authorised providers where appropriate. Our role is to improve visibility and choice, not promise funding or guaranteed savings.

Explore your corporate FX position

Freedom Global helps businesses examine international payment arrangements, the spread in customer exchange rates, and potential alternatives. To explore the FX Score, transaction review or specialist provider options, visit freedomglobal.io.

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