FINANCING & BANKING

Financing & Banking — Overview

Liquidity financing for sellers and exporters — the main structures, explained; and business banking, cards and payouts provided by partner institutions.

Part 1 — Financing structures (educational overview)

This part explains, in general terms, how the main forms of working-capital financing in the US market are structured, and what funding institutions typically look at. It is published for information only.

Inventory financing

Financing secured by, or advanced against, goods a business holds or is buying. The mainstream structures are:

- **Inventory-backed revolving lines.** A line sized against eligible inventory — a borrowing base. The business draws as needed and pays interest on what it draws. Institutions typically require periodic inventory reporting or borrowing-base certificates, and advance only against inventory they judge saleable.
- **Purchase-order and supplier-invoice funding.** The funder pays the supplier directly against a purchase order or invoice, so production and shipping are not held up by the buyer's cash cycle. The business repays when the goods sell or the invoice terms come due.
- **Staged supply-chain funding.** Capital released in tranches aligned to the steps of a supply chain — production, freight, logistics, marketing — with each batch of goods funded on its own schedule, and repayment starting as the goods reach the warehouse and sell.
- **Consignment-style inventory funding.** The funder pays for the inventory and the brand holds and sells it, settling as the inventory sells, on a schedule tied to sell-through rather than fixed dates.

Across these structures, funders typically look at sell-through history, product category, where the goods are warehoused, and margins.

Credit line financing

Revolving capacity a business draws and repays repeatedly, sized from its sales and assets rather than a single shipment. The mainstream structures are:

- **Revenue-based working capital.** Capacity sized from sales history, repaid as a share of ongoing sales or as fixed remittances over a short term. Underwriting runs on store, processor and bank data; inventory is typically not pledged.

- **Secured revolving credit lines.** A borrowing base over receivables and inventory together. Interest is charged on the drawn balance; a security filing and regular reporting are standard. This is the heavier, more traditional structure — and usually the cheapest per dollar drawn.
- **Payout and receivables-backed facilities.** Lines sized against marketplace payouts or confirmed receivables a business has already earned. Repayment comes out of the payout stream itself, which is why these facilities turn on account health and payout history.

Funders typically look at revenue consistency, account health, buyer quality and existing obligations.

A note on our role

VeloSync is a technology company, not a lender, and this document does not describe any specific product or offer. Where a business explores financing, any financing is provided solely by an independent licensed institution, entirely under its own requirements and underwriting; that institution alone decides whether to provide it. VeloSync does not lend and does not handle client funds in connection with financing, and nothing here guarantees that financing will be available or approved. VeloSync charges no evaluation fee in connection with financing.

Part 2 — Business banking, cards and payouts

Business banking, cards and payouts — provided by partner institutions. One KYB file, prepared once, referred to the institutions that fit. Accounts are opened with, and held at, partner banks and licensed institutions. VeloSync is a technology provider and referrer; VeloSync never holds client funds.

- **Business bank accounts.** US business accounts for US and Hong Kong companies selling into North America. We prepare the full opening file — registration documents, beneficial owners, tax identifiers for your jurisdiction (an EIN for US companies; the Hong Kong file works with its own registry documents, no EIN required) and your banking history, including any prior refusals or closures, declared up front.
- **Virtual cards.** Virtual cards for business spend, issued by partner institutions and managed alongside your accounts — for supplier payments, platform fees and operating expenses.
- **Collections and payouts.** Multi-currency collections for marketplace and platform income, and bulk payouts to suppliers and payees in major markets and currencies, by API or batch file.

How evaluation fees work

Pre-screening is free. Where an account-opening service proceeds to a second-stage evaluation, a flat US$100 evaluation fee applies. The fee is disclosed in full before it is due, it is charged whether or not the application is approved, and it is non-refundable once the evaluation has begun.

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