

Payable Driven Multilateral Netting

There are many different ways to run a multilateral netting system. No two corporates are the same and therefore they have different needs for their netting solution. The Coprocess system allows for 3 different methods of multilateral netting:

- [Payable Driven Netting](#)
- [Receivable Driven Netting](#)
- [Settle Only Matched](#)

In a payable driven multilateral netting system the payer inputs (and therefore controls) what is settled through the netting system. Most netting today is run payable driven because it is simple and effective in reducing the cost of making payments.

What it does not address is the issue of late payments and intercompany mismatches. If the payer has not booked the invoice in their Accounts Payable (AP) or if they simply do not want to pay the invoice then they can elect to not upload it / input it in the netting and the Receiver will not receive the funds.

BENEFIT:

Simple

DRAWBACK:

Creates all the savings from netting
Does not get invoices paid on time
Does not help clean up intercompany