



# Introducing the C2FO Payment Terms Index

An Upstream Signal of Global Liquidity

APRIL | 2026

C2FO operates the world's largest B2B platform for working capital. Since our founding, we have captured over \$14 trillion in transactions. The C2FO Payment Terms Index transforms this data from over 500 million unique invoices annually across 180 countries and territories into actionable financial intelligence.

## Executive Summary

In the world of finance, most analysis depends on quarterly disclosures, limited bank settlement data or qualitative surveys. But these are lagging indicators with often limited applicability. Conversely, payment terms and trade credit between buyers and sellers in the business-to-business (B2B) marketplace offer a timely indicator from which to glean macroeconomic insights.

Payment terms tied to working capital are the largest unmonitored source of short-term financing in the global economy. At C2FO, we operate the world's on-demand working capital marketplace, which sits directly between buyers and suppliers. Our proprietary data set constitutes the largest data set of overall payment terms and captures trillions of dollars in transactions. Unlike standard supply chain finance programs that rely on static cohorts and fixed rates, the marketplace model reveals the actual behavioral preference for liquidity across millions of invoices. It can provide a measure of market stress that other data cannot replicate.



We have developed a proprietary index to measure this, the Payment Terms Index. It tracks the evolution of payment terms across the global B2B landscape. Our aggregate data offer observations on payment trends that match the broader economic cycle, and the index constitutes an important indicator tracking supply chain and B2B liquidity. This provides insight into expected business outcomes.

We'll outline these observations in the pages ahead, and we intend to publish regular updates.

### At a high level:

- Interest-rate regimes matter when it comes to terms of payment.
- Supply-chain disruptions also impact payment terms.
- The size of business reflects the need for payment liquidity.
- C2FO's data can break down payment trends at a regional, sector and industry level.
- The direction of payment trends can serve as an indicator for the direction of the economy, credit conditions, liquidity and the banking system.

## The C2FO Payment Index is a standing measurement of a system that has never been mapped at scale.

### The Vital Importance of Trade Credit

Simply put, the economy would not function without trade credit – suppliers providing financing to buyers. It is the largest single source of global financing to firms. And because suppliers can extend credit to buyers and discount receivables in the banking system, a multiplier effect exists within the economy's overall credit framework. As such, liquidity (or lack thereof) within the trade credit system can affect the broader global economy.

Trade credit contributes to economic growth by expanding working capital for businesses. Without it, firms would have to rely on outside financing from banks and other financial institutions for all aspects of production. That's costly, time-consuming and often unavailable to smaller firms.

Trade credit, which also fills the financing gap when banks hesitate to lend, keeps companies from having to maintain massive cash reserves to pay suppliers immediately. This allows them to use capital for other purposes. The global market for trade credit—the sum of accounts payable and receivable—is estimated at \$40 trillion, making this 'invisible' financing source roughly equal in size to the entire public corporate bond market.

### The Payment Terms Index – An Overview

While traditional economic indicators often rely on lagging sentiment surveys or quarterly balance sheet filings, the C2FO Payment Terms Index provides a high-frequency view of global liquidity. By monitoring hundreds of millions of actual invoices and trillions of dollars in transactions, the index tracks the effective length and evolution of trade credit through verified, invoice-level behavior rather than stated or "official" terms.

To ensure the index reflects genuine behavioral shifts rather than changes in the supplier population, the analysis is limited to a stable cohort of firms active on the C2FO platform for at least five years. We utilize 12-month rolling averages to smooth seasonality, establishing a baseline value of 100 in January 2020, the final month of pre-pandemic payment behavior.

#### Values above 100:

Indicate payment-term expansion, signaling that buyers are deferring payments to preserve cash.

#### Values below 100:

Indicate term contraction, often reflecting a prioritization of liquidity in response to rising interest rates or credit tightening.

## C2FO's Data Scale:

The scale of the C2FO platform offers a unique perspective on the global economy. Processing over 50 million unique invoices daily, the platform spans 180 countries and territories and every major industry classification. This is not an estimate; it is verified transaction data captured at the point of execution.

The index leverages the North American Industry Classification System (NAICS) to provide granular visibility down to the 6-digit industry level. This inaugural report focuses on the headline index and three structurally significant sectors:

- Material & Chemical Products (NAICS 32).
- Industrial & Technology Equipment (NAICS 33).
- Wholesale Trade (NAICS 42).

## Identifying Economic Signals

By measuring the duration and direction of trade credit, the index surfaces three critical signals:

- Effective Term Lengths: Tracking the real duration of credit across specific geographies and firm sizes.
- Directional Shifts: Providing a real-time read on how quickly the working capital burden is shifting across supply chains.
- Structural Divergence: Identifying how liquidity risk is unevenly distributed between enterprise-scale businesses, mid-market firms, and small businesses—dynamics that aggregate indices often obscure.

500M+

Unique invoices processed annually  
across 180 countries and territories

1,000+

NAICS industry codes with active  
coverage, from 2-digit to 6-digit

## Structural Shifts & the “New Normal”

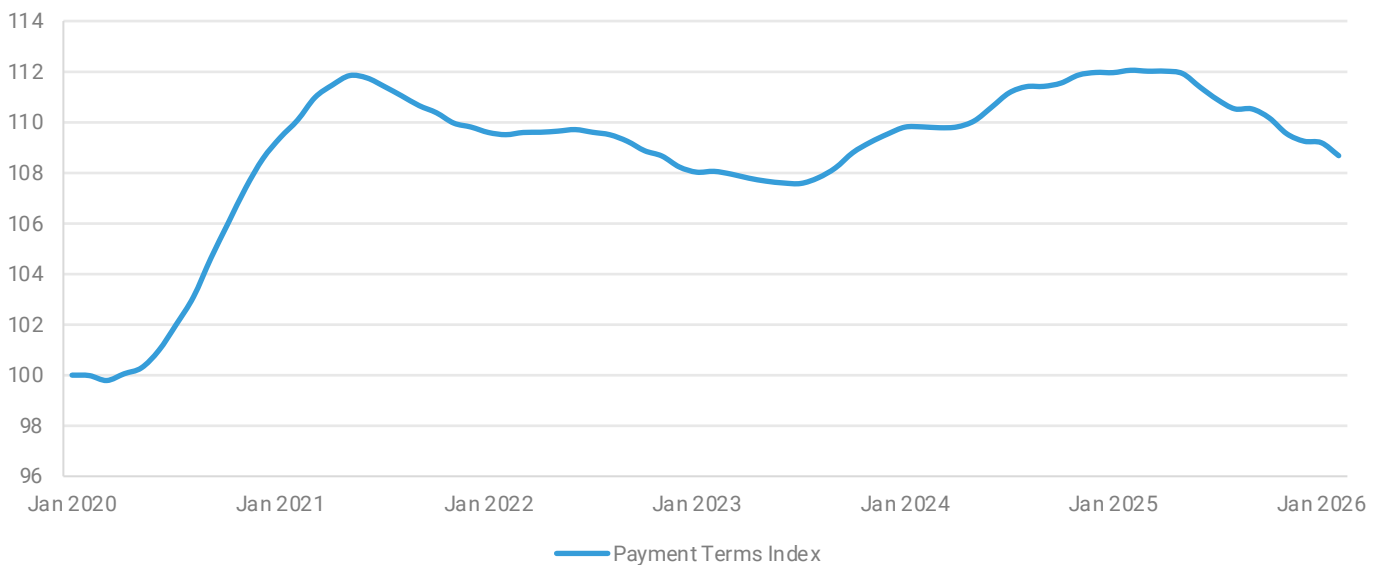
When uncertainty hit in early 2020, buyers faced cash risk of undefined duration and severity. The fastest available lever, one requiring no bank negotiation, no contract amendment, no externally visible signal of stress, was to extend payment terms. It was used rapidly and at scale.

The index shows terms lengthening sharply through 2020 and into 2021 (**Figure 1**), reaching a peak in May 2021 as economic reopening collided with severe supply chain pressure. Large suppliers absorbed the shift: preserving buyer relationships took priority, and the implicit assumption, broadly borne out, was that larger suppliers had the capital market access to manage the burden. This shift in payment terms marked a structural change in global finance.

**Figure 1**

### The Payment Terms Index is Nine Index Points Above the Baseline and Pre-Pandemic Levels

C2FO Payment Terms Index (Aggregate) | Monthly, Jan 2020 – Jan 2026



*The Payment Terms Index increased from 100 to 112 in the first months of 2020 following COVID, briefly retreated to 109, then climbed back to COVID-era highs by early 2025 before softening modestly. It has never approached its early 2020 baseline. What began as an emergency response has become a permanent shift. Source: C2FO proprietary network intelligence, 2020 – 2026.*

The working capital consequences were immediate and direct. Suppliers waiting longer for payment faced higher days sales outstanding, compressed operating cash flow, and in many cases drew on credit facilities to bridge the gap. They incurred interest costs and additional leverage at the same time as their buyers’ balance sheets were quietly improving. This redistribution was not visible to markets in real time. It was visible in transaction data.

What the data reveals most clearly is that the post-COVID normalization in payment terms has been incomplete. Terms moderated from their 2021 peak but have not returned to pre-2020 levels for large suppliers, a trend clearly illustrated by the sustained elevation in Figure 1. The working capital burden that shifted toward enterprise-scale suppliers in 2020 has become, in significant part, a structural feature of the post-pandemic corporate landscape.

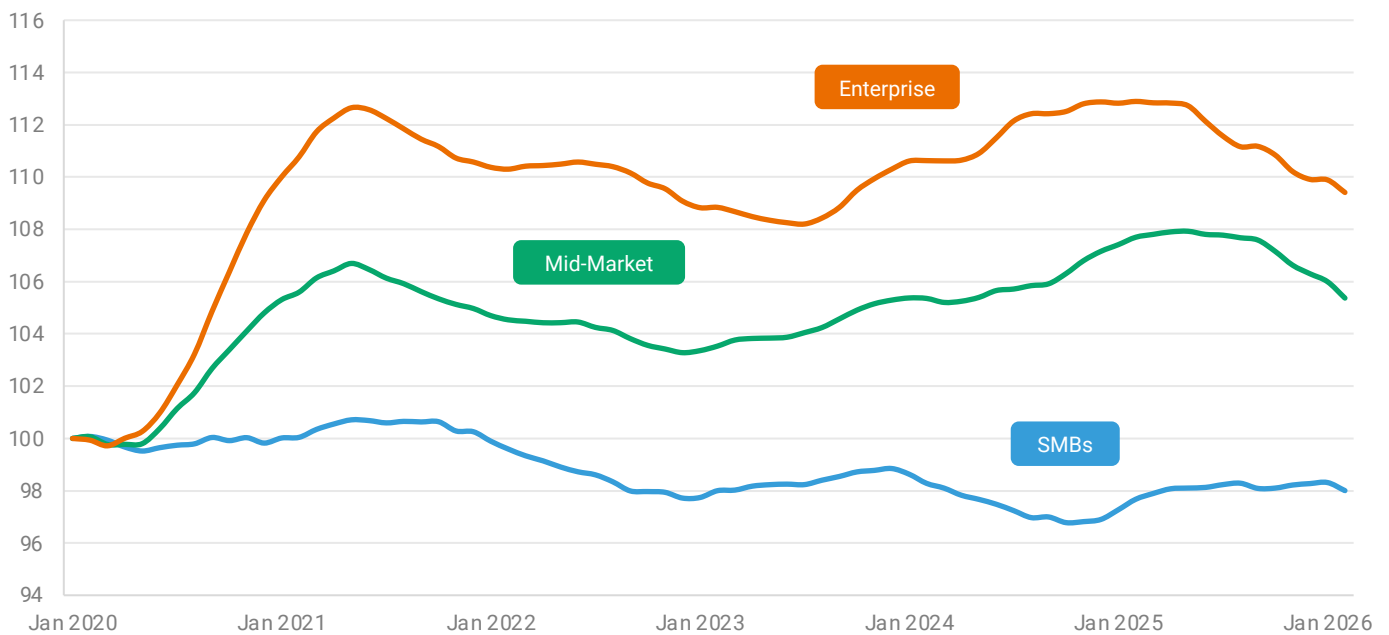
This is not simply a COVID story. It reflects a broader adjustment in how buyers use payment terms as an active liquidity management tool.

**Divergence by Firm Size: A Structural Finding**

One of the most analytically significant results in the data is the divergence in payment term behavior by supplier size. Smaller suppliers have seen terms shorten since 2022, while enterprise-scale suppliers have seen terms remain elevated or, in some periods, continue extending. The implicit logic — that large suppliers can absorb the burden, while extending terms aggressively to small suppliers risks rendering them insolvent — is being acted on, at scale, across industries, as visualized in **Figure 2**.

This is not merely a commercial observation. It has direct implications for credit analysis: the enterprise suppliers carrying the largest working capital burden are often the same firms whose balance sheet strength makes that burden less visible in conventional credit metrics. The index surfaces that structural loading in a way that accounts payable and receivable data, reported quarterly and in aggregate, cannot.

**Figure 2** Enterprise Suppliers Have Seen the Greatest Change in Payment Terms  
C2FO Payment Terms Index by Organization Size | Jan 2026



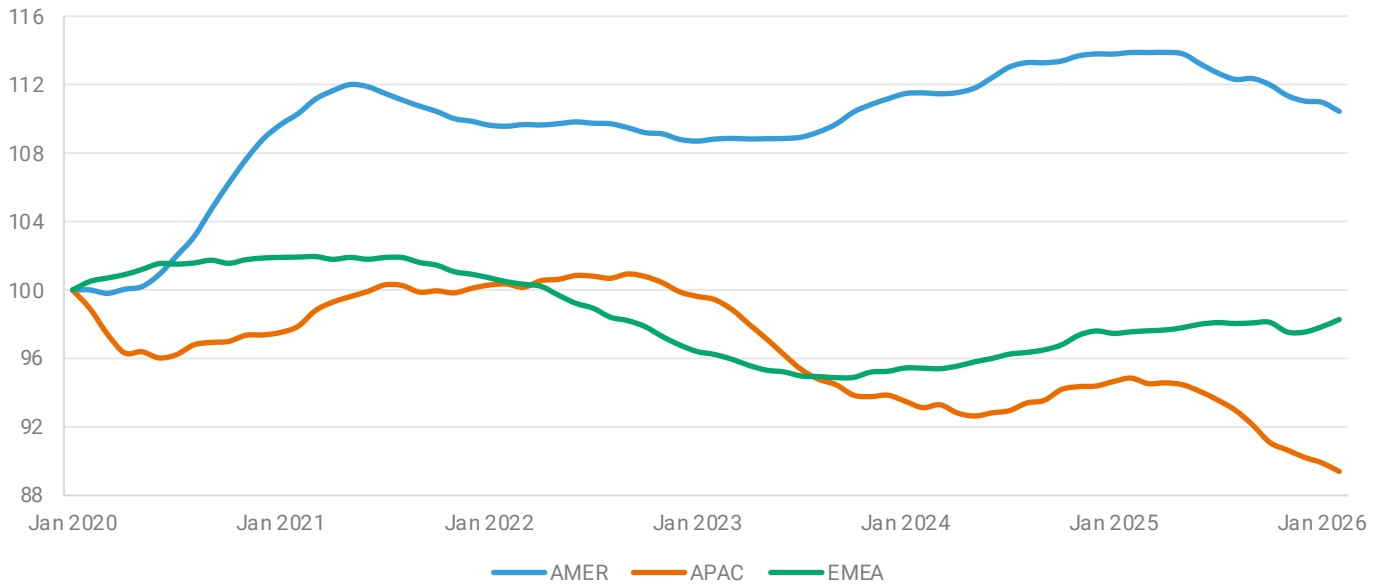
Enterprise suppliers may be using terms acceptance as a way to maintain price or gain market share. Working capital risk was transferred onto the largest suppliers in the immediate post-COVID period, where it has remained. Smaller companies were largely spared what would have been a significant balance sheet burden. *Source: C2FO proprietary network intelligence, 2020-2026.*

The index is most valuable not as a description of what has happened, but as a continuous signal about what is building

**Divergence by Geography: Regional Liquidity Shifts**

While firm size is a primary driver of trade credit divergence, geography creates a second layer of variance. As shown in **Figure 3**, payment term dynamics in the Americas, Europe, the Middle East and Africa (EMEA), and Asia-Pacific reflect differing regional liquidity pressures and monetary environments.

**Figure 3** The Global Structural Shift in Payment Terms is Largely an American Phenomenon  
C2FO Payment Terms Index by Region | Jan 2026



The regional picture tells three distinct stories. The Americas drove the global trend, surging to 112 by mid-2021 and remaining structurally elevated ever since. In EMEA, terms expanded modestly post- COVID before steadily compressing back below baseline, now sitting around 98. In APAC, the index has declined persistently to 90 by early 2026, suggesting terms have actively shortened rather than merely stabilized. What looks like a global structural shift is, in practice, a predominantly American one. *Source: C2FO proprietary network intelligence, 2020-2026.*

The data is clear, the COVID-19 spike hit everyone, but the recovery looks different in every region. These geographic distinctions are critical for global treasurers managing cross-border supply chains where local credit conditions may diverge from the global headline index.

**The Rate Cycle**

From 2022, the index has captured the effects of the Federal Reserve’s rate-hiking cycle with notable clarity, showing the shortening of terms as seen in **Figure 1**. Terms contracted as the cost of capital rose, and corporate treasuries on both sides of buyer-supplier relationships prioritized liquidity.

When conditions deteriorate, the question everyone is asking is: where is the stress building? This index is one of the places you look.

## Conclusion

C2FO's Payment Terms Index reveals that trade credit is a dynamic indicator of economic stress and liquidity distribution. For finance and treasury professionals, credit analysts and policy makers, the index provides an aggregate look at movements in trade credit and how they can inform developments in the broader global finance landscape. It reflects a real-time dataset and insight unavailable elsewhere in the financial marketplace. B2B buyers and suppliers can benefit from the insight this index and our data set can elicit, as can analysts seeking a better indicator of conditions in the global credit environment.



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## Appendix - Sector Payment Terms Intelligence

### Industry Classification & Methodology

The C2FO Payment Terms Index provides the unique ability to monitor trade credit conditions at the specific industry classification level. This section provides the specific Payment Terms Index values for the following industry classifications: **NAICS 32, 33, and 42**.

The analysis within this report utilizes the North American Industry Classification System (NAICS) to categorize supplier activity. While the taxonomy originates in North America, it is applied here as a global standard. Suppliers are categorized by the nature of their business activity, not their location, providing a consistent framework for comparing trade credit conditions by industry across geographies and over time.

### SECTOR INTELLIGENCE FRAMEWORK

#### Materials & Chemicals | NAICS 32

**Scope:** Covers producers of wood products, printing materials, petroleum and coal products, plastics, rubber, and a broad range of chemical and non-metallic mineral products.

**Intelligence Value:** As suppliers of intermediate inputs to industries across the economy, firms in this sector occupy a structurally important position in trade credit networks, and their payment term behavior reflects conditions in some of the most capital-intensive supply chains globally.

#### Industrial & Technology Equipment | NAICS 33

**Scope:** Covers manufacturers of fabricated metals, machinery, computers and electronics, electrical equipment, transportation equipment, and precision instruments.

**Intelligence Value:** This sector represents some of the longest and most complex supply chains in the global economy, with payment terms often reflecting the extended production cycles and high capital requirements that characterize large-scale industrial and technology manufacturing.

#### Wholesale & Distribution | NAICS 42

##### Wholesale Trade | NAICS 42

**Scope:** Covers merchant wholesalers and distributors operating across durable and non-durable goods, acting as intermediaries between producers and downstream buyers.

**Intelligence Value:** As a sector whose core function is the movement of goods and the management of inventory across supply chains, wholesale trade is among the most direct reflections of working capital pressure in the economy, and payment term behavior here tends to track shifts in broader trade conditions with sensitivity.

##### Enterprise Definitions:

**Enterprise** Annual revenue > \$1B

**Midsized** Annual revenue \$10M – \$1B

**Small Business** Annual revenue < \$10M

##### Expense Type:

**Direct Spend** – Spend that is directly attributable to the production or delivery of goods and services.

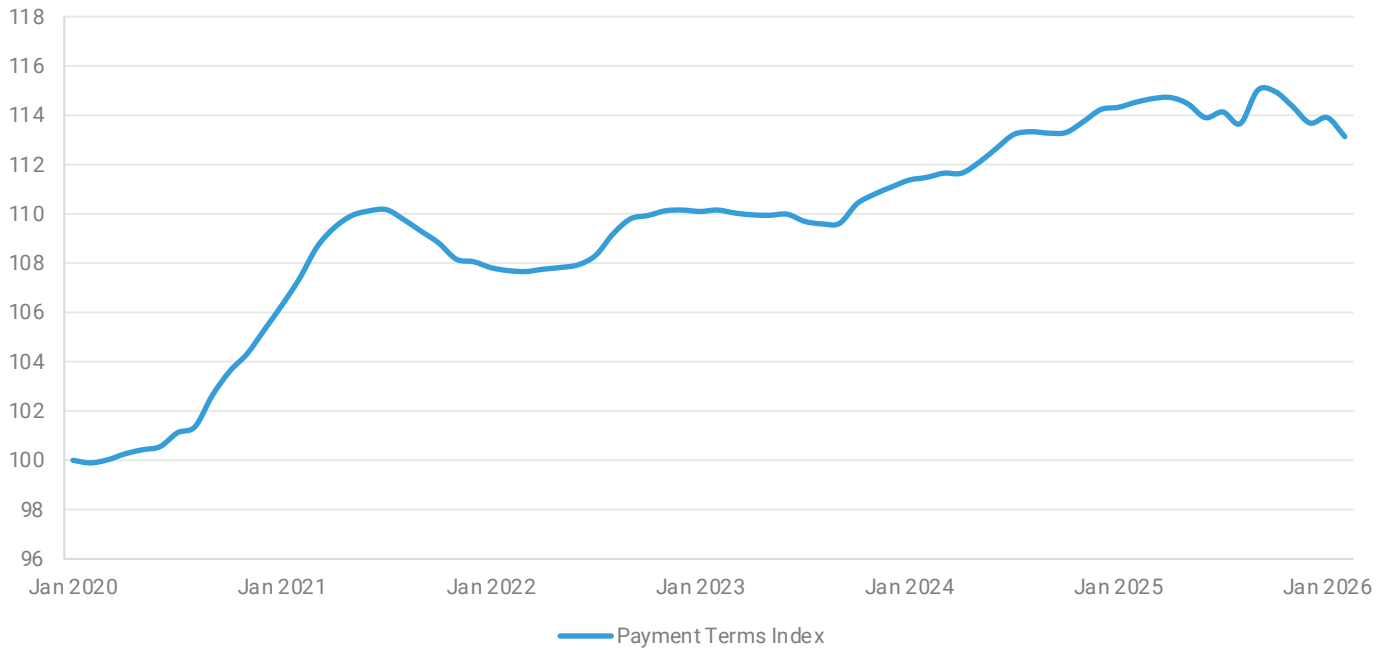
**Indirect Spend** – Spend incurred in operating the business that can not be attributed to a specific output.

**Hybrid Spend** – Spend that combines both direct and indirect

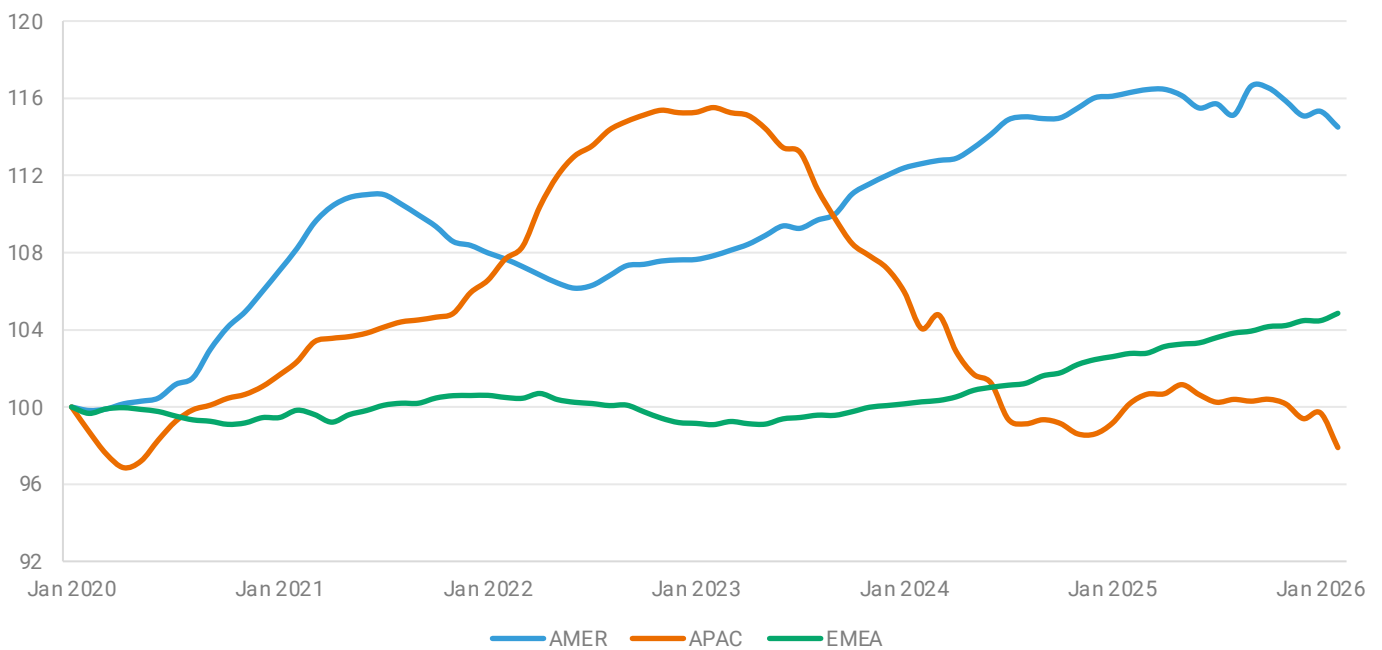
## NAICS 32: Material and Chemical Product Manufacturing

Source: C2FO proprietary transaction data, 2026. Note: Data reflects a stable cohort of buyer-supplier relationships within NAICS 32.

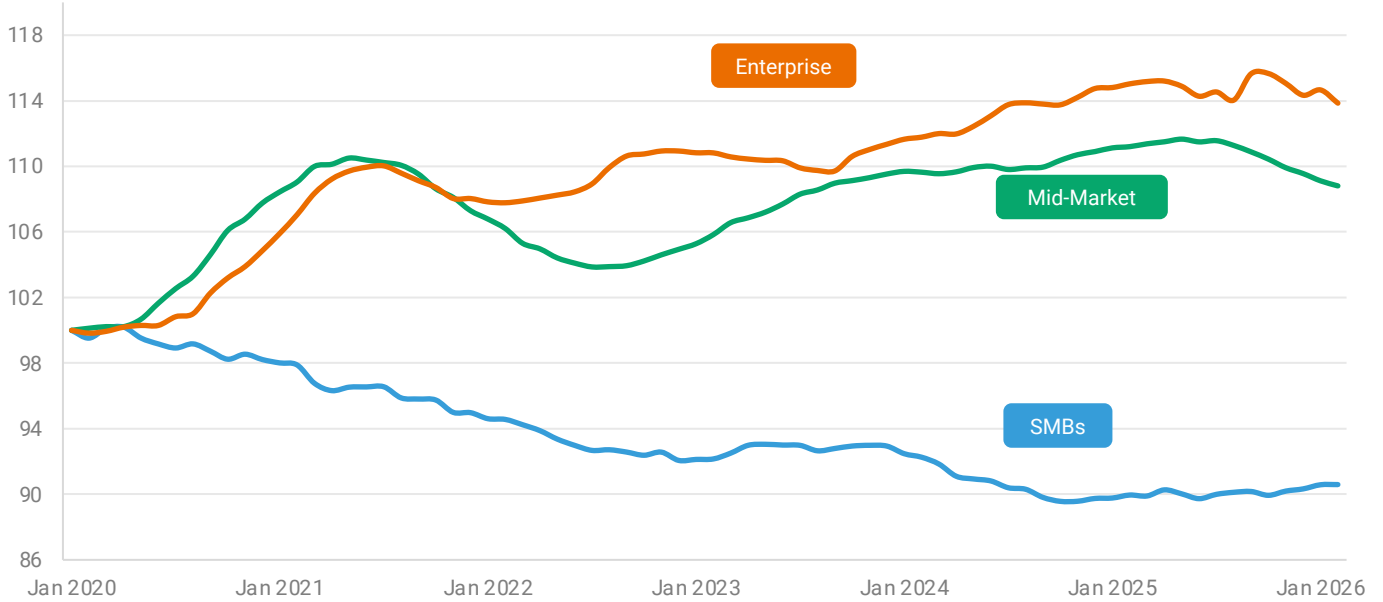
**NAICS 32: Chemical Manufacturing Payment Terms Index climbed to 110 post-2020, held broadly stable through 2021-2024, and has resumed an upward trend since**



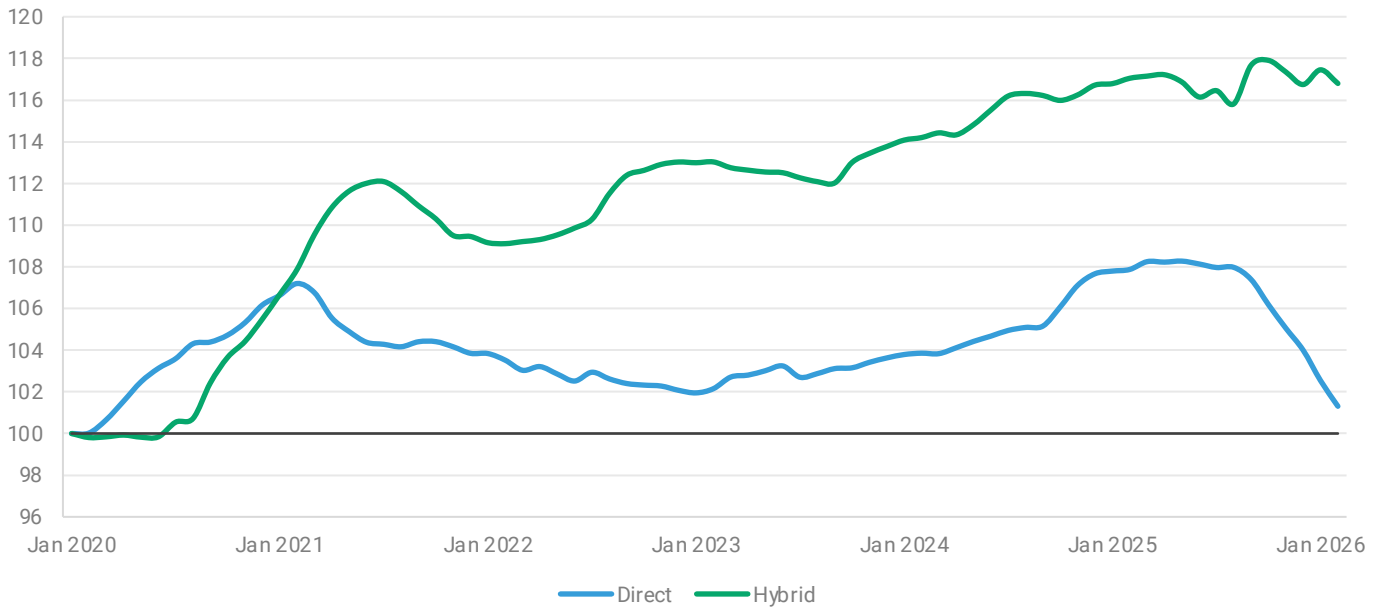
**NAICS 32: AMER tracks the overall index closely; APAC rose to 116 in early 2023 before returning to baseline by end-2024; EMEA stable, with a modest upward trend since early 2024**



**NAICS 32 Enterprise and mid-market remain persistently elevated vs baseline; SMB terms have trended steadily lower**



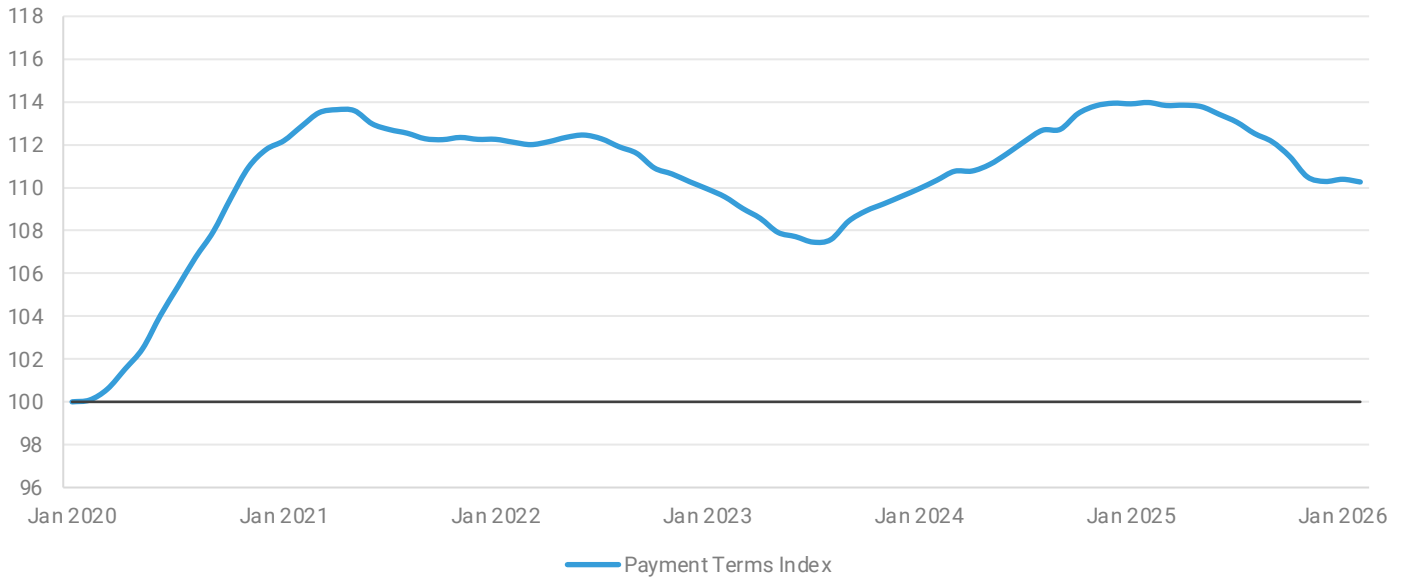
**NAICS 32 Hybrid spend shows a persistent upward trend; Direct spend has returned to baseline as of early 2026**



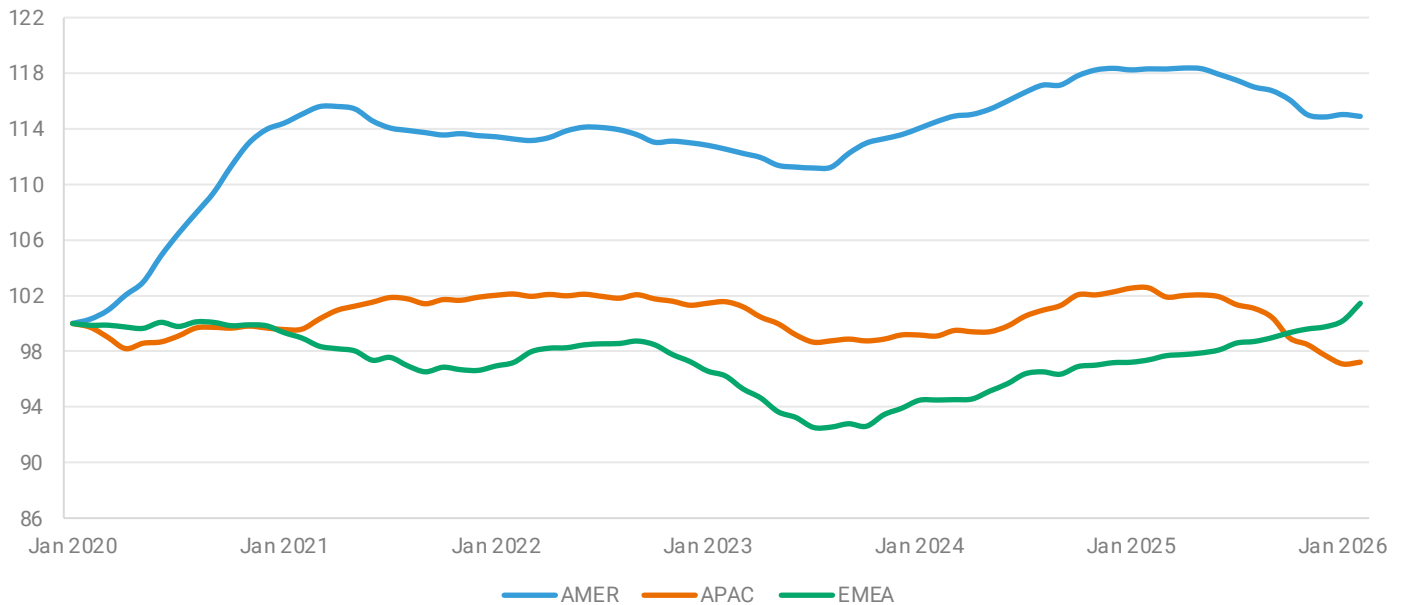
## NAICS 33: Industrial and Technology Equipment Manufacturing

Source: C2FO proprietary transaction data, 2026. Note: Data reflects a stable cohort of buyer-supplier relationships within NAICS 33.

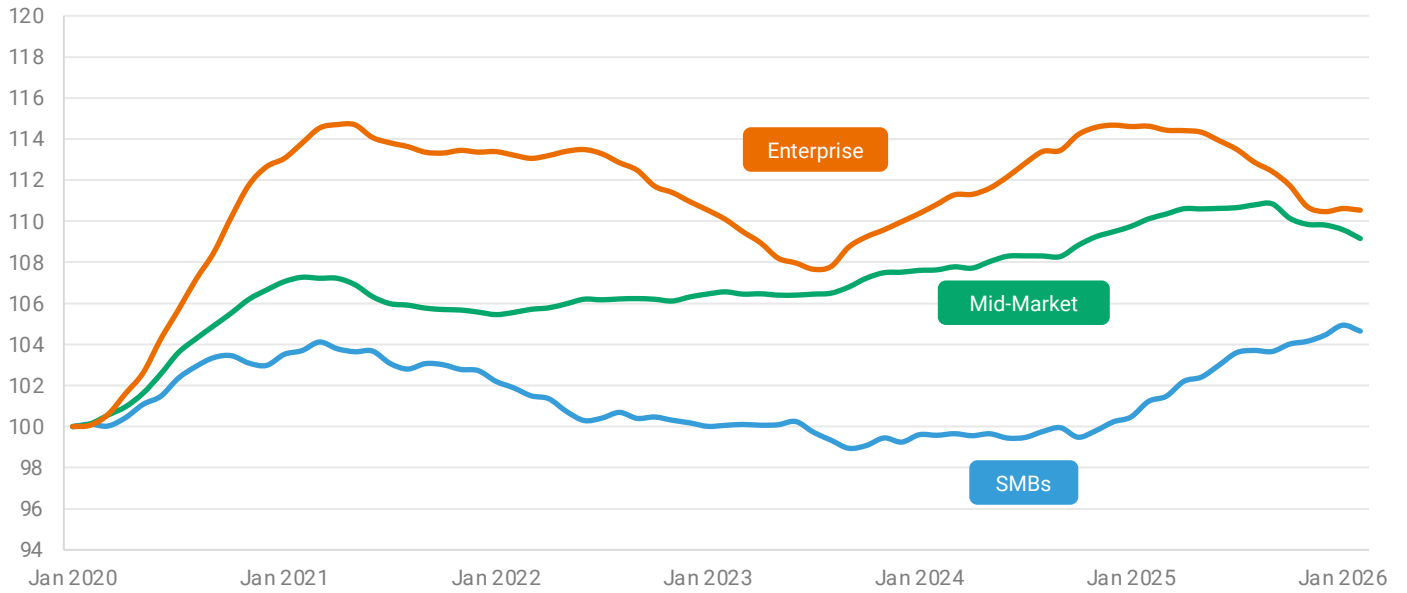
**NAICS 33: Industrial Tech Payment Terms Post-2020 increases have remained elevated, with cyclical volatility around the 110 level**



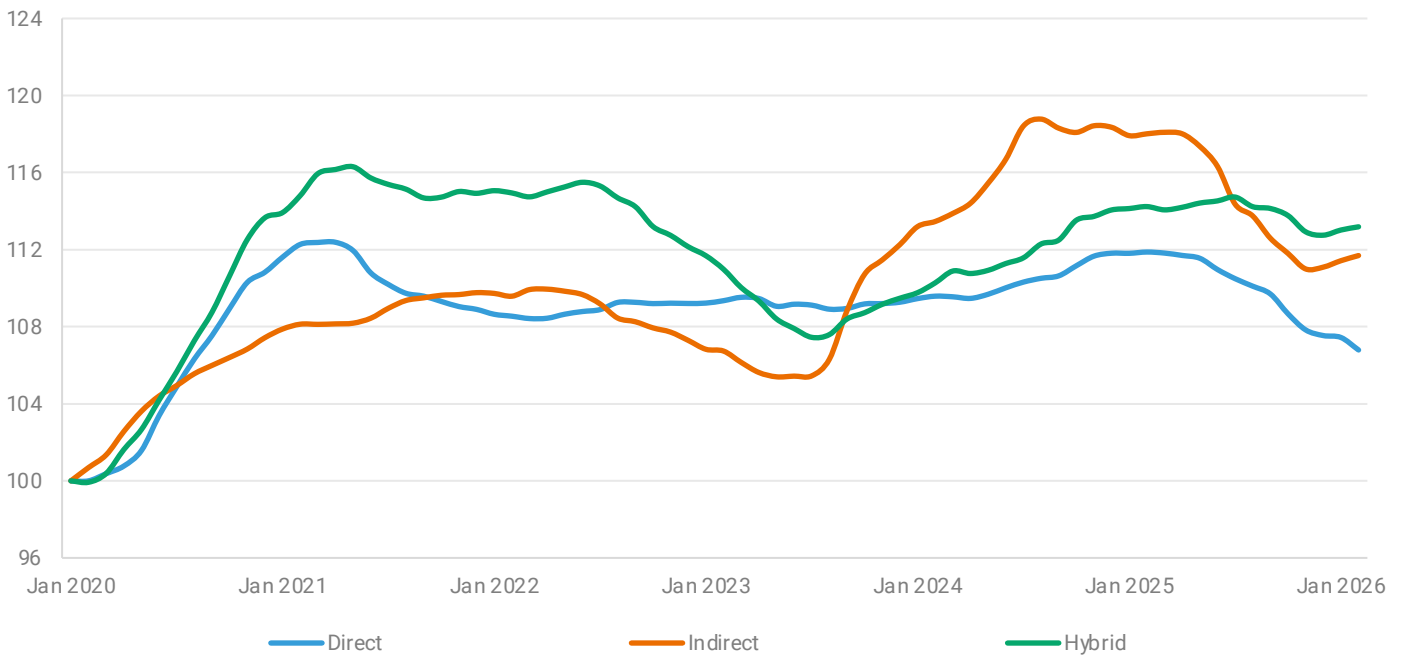
**NAICS 33 By Region: AMER is the primary driver of index elevation; APAC and EMEA have remained broadly flat around baseline throughout**



**NAICS 33 By Segment: Enterprise rose sharply post-COVID and remain elevated; mid-market persistently above baseline; SMB showing an emerging upward trend since early 2025**



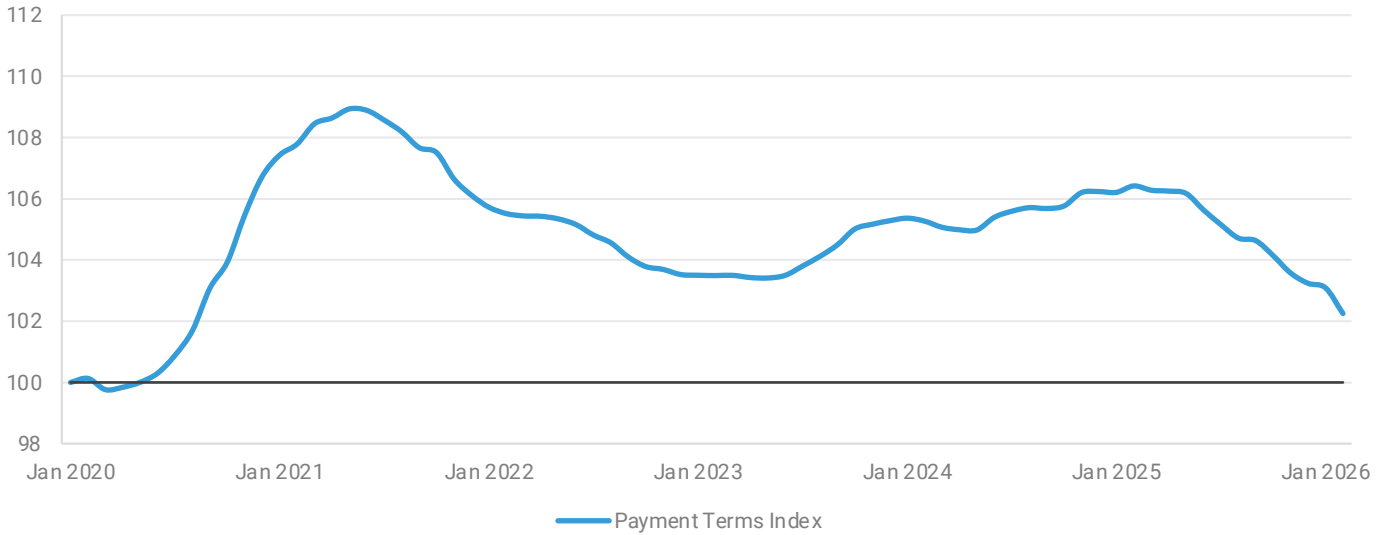
**NAICS 33 Spend Type: All categories remain above baseline; indirect spend rose notably from mid-2023 to early 2025 before partially moderating**



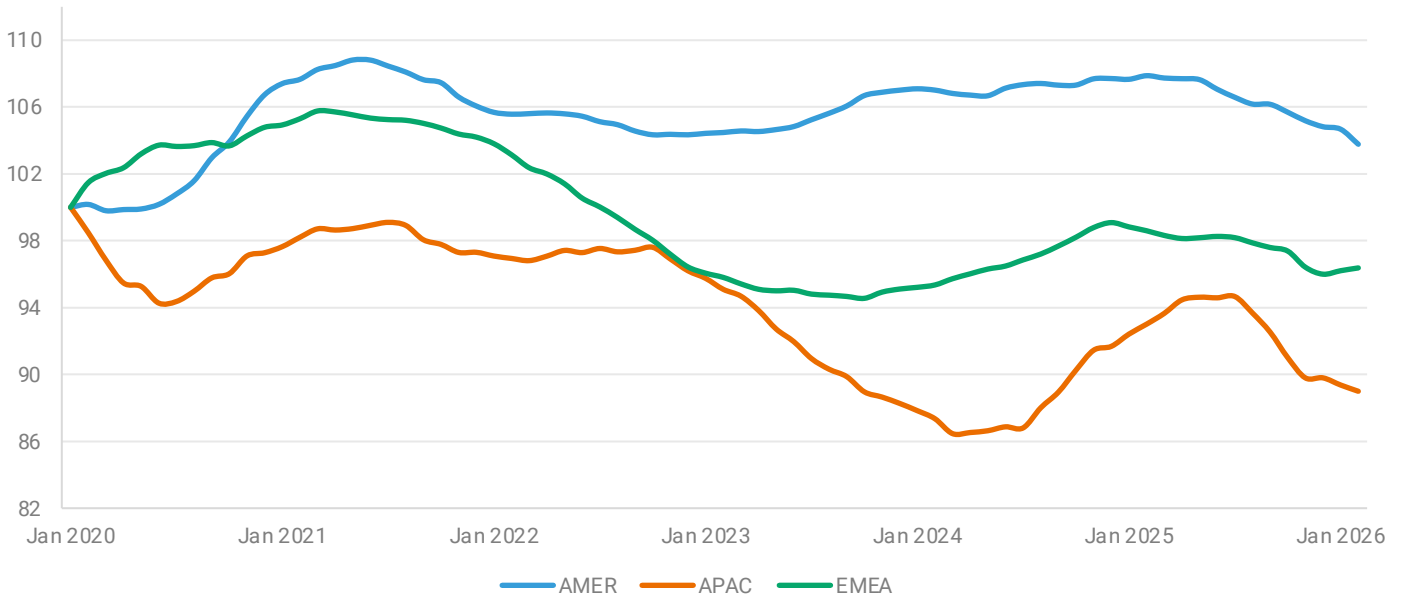
## NAICS 42: Wholesale Trade

Source: C2FO proprietary transaction data, 2026. Note: Data reflects a stable cohort of buyer-supplier relationships within NAICS 42.

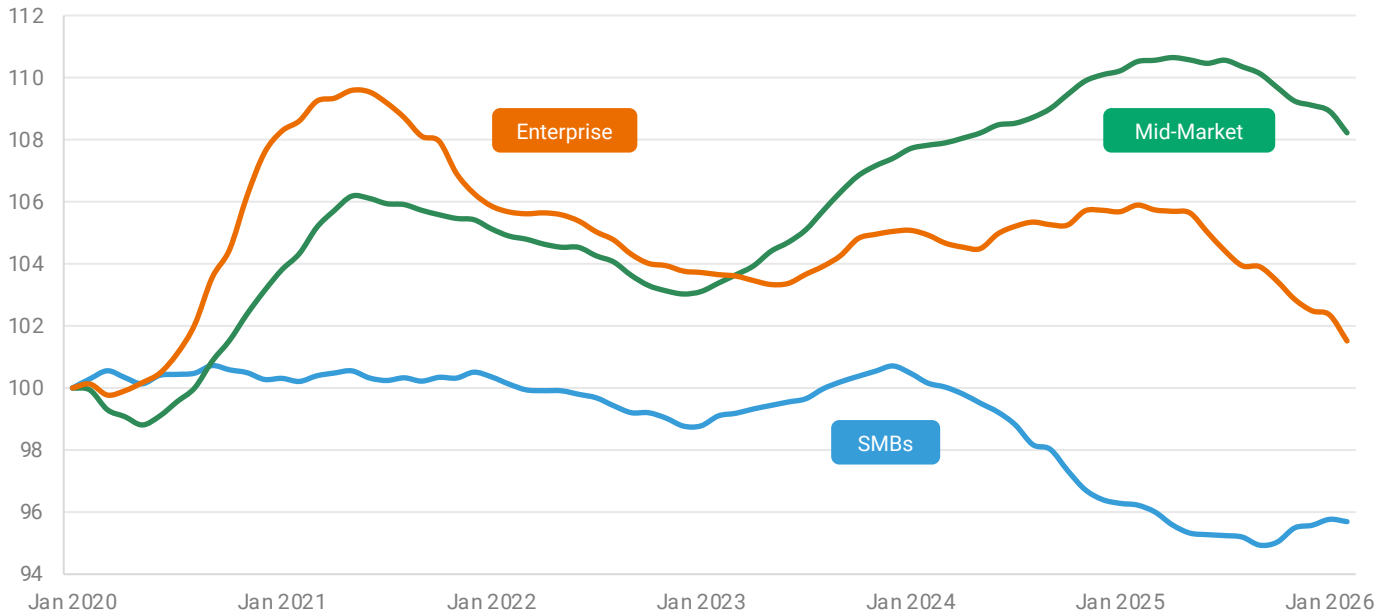
NAICS 42: Following a rise to 109 in mid-2021, the index has trended back toward baseline, currently at 102



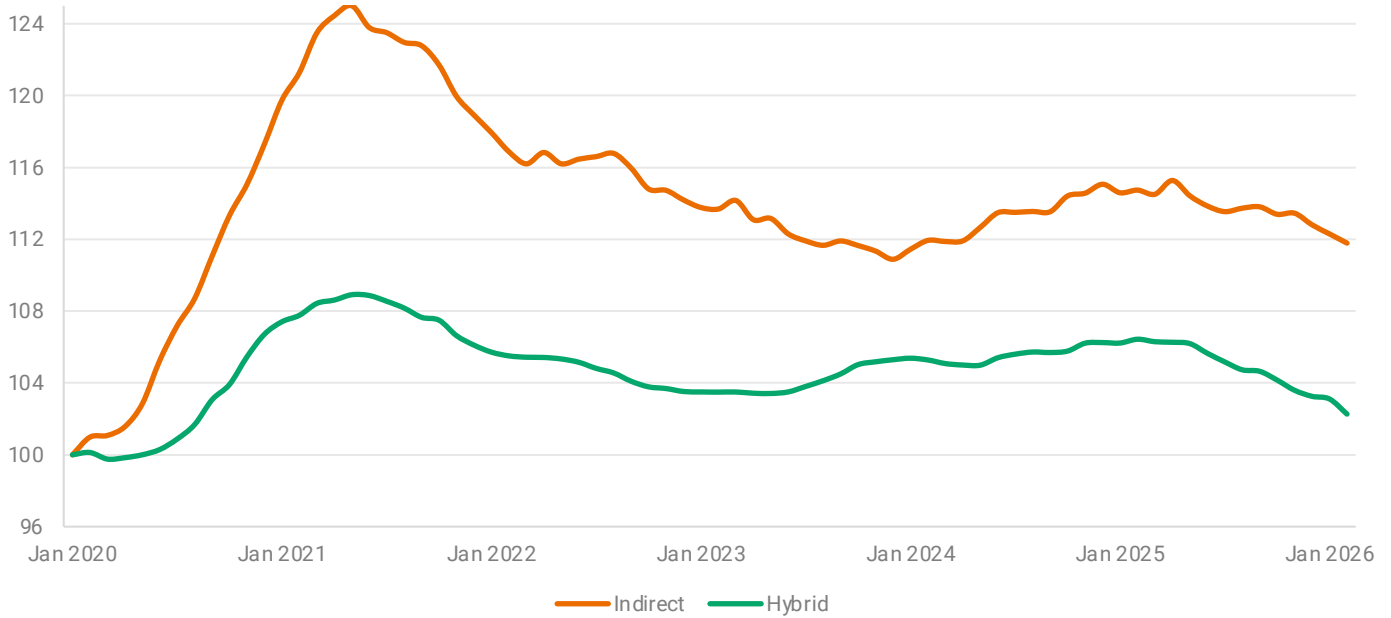
NAICS 42 By Region: AMER post-2020 elevation is gradually returning toward baseline; EMEA has moved below baseline at 96; APAC currently at 89, the lowest of the three region



**NAICS 42 By Segment: Mid-market shows the most durable elevation; enterprise terms declining toward baseline; SMB currently below baseline**



**NAICS 42 Spend Type: Indirect Wholesale Spend Stabilizes After a 115 Index Point Peak While Hybrid Rises 6 Index Points Above Baseline**



## Methodology

The C2FO Payment Terms Index and all sub-indices are standardized to a baseline value of 100, set in January 2020. A value above 100 indicates that weighted average payment terms have expanded relative to that baseline; a value below 100 indicates contraction.

Each data point in the index represents the weighted average payment term for a given month, where individual invoice terms are weighted by invoice value. This means that larger transactions contribute proportionately more to the measured movement, reflecting the distribution of trade credit across supply chains rather than treating all invoices equally regardless of size.

The index is constructed on a stable panel: only entities with an invoicing relationship on the C2FO platform in every quarter since Q1 2020 are included. This ensures that movements in the index reflect genuine shifts in payment term behavior rather than changes in the composition of the underlying supplier population.

All data is aggregated and anonymized. No individual company or transaction is identifiable at any point in the index or its sub-components. At the headline index level, each monthly data point is derived from a minimum of 10 million invoices and \$20 billion in transaction value. At the most granular level presented in the report, each data point must meet a minimum threshold of 1,000 invoices and \$1M in transaction value to be included, ensuring robustness across all sub-indices.



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## About C2FO

C2FO is the world's largest platform for working capital. Our mission is to deliver a future in which every company in the world has the capital it needs to grow. By connecting businesses to on-demand working capital solutions, we help them improve cash flow and build more resilient supply chains. Learn more at [C2FO.com](https://C2FO.com).

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