Greenhouse
Capital

CPF Backend Engine Overview

↗ Receivable Securitisation Origination Platform

CPF Backend Engine Overview

Trust, Settlement **&** Securitization Infrastructure

1. Purpose of the Backend Engine

The CPF backend engine is the institutional structure that enables receivables to be converted into investable instruments with:

- Legal validity
- Cashflow certainty
- Ring-fenced risk isolation
- Transparent settlement controls

The technology layer sits on top of this engine.

The engine itself is what creates **trust and securitization integrity.**

2. Structural Architecture

The backend engine operates across five institutional layers:

I. Trust / SPV Layer

- A legally incorporated Special Purpose Vehicle (SPV) or Trust
- Bankruptcy-remote from sponsors and operators
- Holds legal title to assigned receivables
- Issues receivables-backed instruments

Purpose:

To isolate receivables and protect investors from sponsor risk.

II. Legal Counsel Layer

- Drafts receivables assignment agreements
- Structures trust/SPV documents
- Validates enforceability under applicable law
- Advises on regulatory compliance

Purpose:

To ensure assignment, cashflow routing, and investor protections are legally binding.

III. Trustee Layer

- Independent oversight of the SPV
- Ensures compliance with trust deed and payment waterfall
- Monitors covenant adherence
- Represents investor interests

Purpose:

To create institutional confidence and governance separation.

IV. Custody & Settlement Banking Layer

Custody Bank

- Holds designated trust/SPV accounts
- Maintains segregated investor funds

Settlement Bank

- Executes payment flows between obligor, SPV, and investors
- Manages clearing and settlement processes

Purpose:

To ensure ring-fenced, transparent, and auditable cash movement.

V. Administration & Reconciliation Layer

- Tracks receivables pool
- Monitors payment triggers
- Performs reconciliations
- Produces reporting for:
  - Trustee
  - Investors
  - Regulators

Purpose:

To maintain operational control and reporting integrity.

3. End-to-End Payment Flow (High-Level)

Step 1: Receivable Origination

Supplier delivers goods/services.
Invoice is verified and approved.

Step 2: Receivable Assignment

Supplier assigns receivable to SPV under legal agreement.
SPV now holds beneficial interest.

Step 3: Instrument Issuance

SPV issues short-tenor receivables-backed notes.
Investors subscribe.
Funds move into SPV trust account.

Step 4: Supplier Payment

SPV pays supplier (discounted or full value depending on structure).

Step 5: Obligor Payment

At maturity, obligor pays original invoice value into designated trust account.

Step 6: Waterfall Distribution

Funds are distributed in the following priority:

I. Taxes and statutory charges (if applicable)
II. Trustee & administrative fees
III. Interest to investors
IV. Principal repayment
V. Residual (if any)

This waterfall is contractually locked in the trust deed.

4. Control Mechanisms

The backend engine embeds the following safeguards:

- Segregated trust accounts
- Independent trustee oversight
- Pre-defined payment waterfall
- Reconciliation before disbursement
- Dual authorization on fund releases
- Audit trail across all transactions

These controls are enforceable regardless of platform automation level.

5. Phase 1 Operating Model (Semi-Manual)

In Phase 1:

- Documentation and assignments may be manually executed
- Reconciliations may use controlled spreadsheet workflows
- Waterfall calculations may be reviewed by trustee before release

The key principle:

> Structural integrity precedes automation.

Automation layers will be introduced progressively after the trust structure is validated and operational.

6. What Creates Securitization Validity

The securitization does not derive credibility from software.

It derives credibility from:

- Legal isolation of receivables
- Ring-fenced accounts
- Trustee governance
- Enforceable payment waterfall
- Independent reconciliation

The backend engine ensures these elements are present before scale.

7. Roadmap to Full Automation

Phase 1:

Manual/controlled backend with documented processes

Phase 2:

Integrated account monitoring and automated reconciliation

Phase 3:

Full platform orchestration with real-time waterfall execution

Each phase builds on validated structural integrity.

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Thank you.

Let's get started.

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