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Ways to develop factoring practices in commercial banks

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Abstract: The article discusses the essence of factoring operations in commercial banks, the procedure for their implementation, practical aspects of the development of factoring operations. The study also developed recommendations for the development of factoring practices.

Keywords: Central bank, commercial banks, factoring, intermediation, credit, banking, discount, export.

Introduction

In the context of modernization of the economy, commercial banks require customer service in various innovative areas. The introduction and improvement of modern banking services will further increase the confidence of the population and businesses in commercial banks. In this regard, the President said in his speeches that "the main goal of banking reform is to train commercial banks to work for the customer" (Petition, 2020).

The development of credit in the provision of services to the population and businesses in the activities of commercial banks is a topical issue. It is the improvement of lending activities of banks that is a prerequisite for ensuring their financial stability and the needs of businesses in credit.

The practice of factoring in commercial banks began to develop as a form of lending. Factoring practice is a form of supplier lending. It leads to an increase in the bank's interest income while satisfying the supplier's need for cash.

Different scholars have different views on the concept of "factoring". Factoring is expressed as an economic category and part of the financial system as "the sum of financial relations in the formation and use of monetary relations" (Lushin, Slepov, 2000) or "sum of relationships of elements and parts involved in financial activity" (Gryaznova, 2002).

A number of scholars add factoring to the structure of banking services. Among them, some say the concept of lending (Lavrushin, 2009), some say intermediation operations (Burova, 1993).

Main part

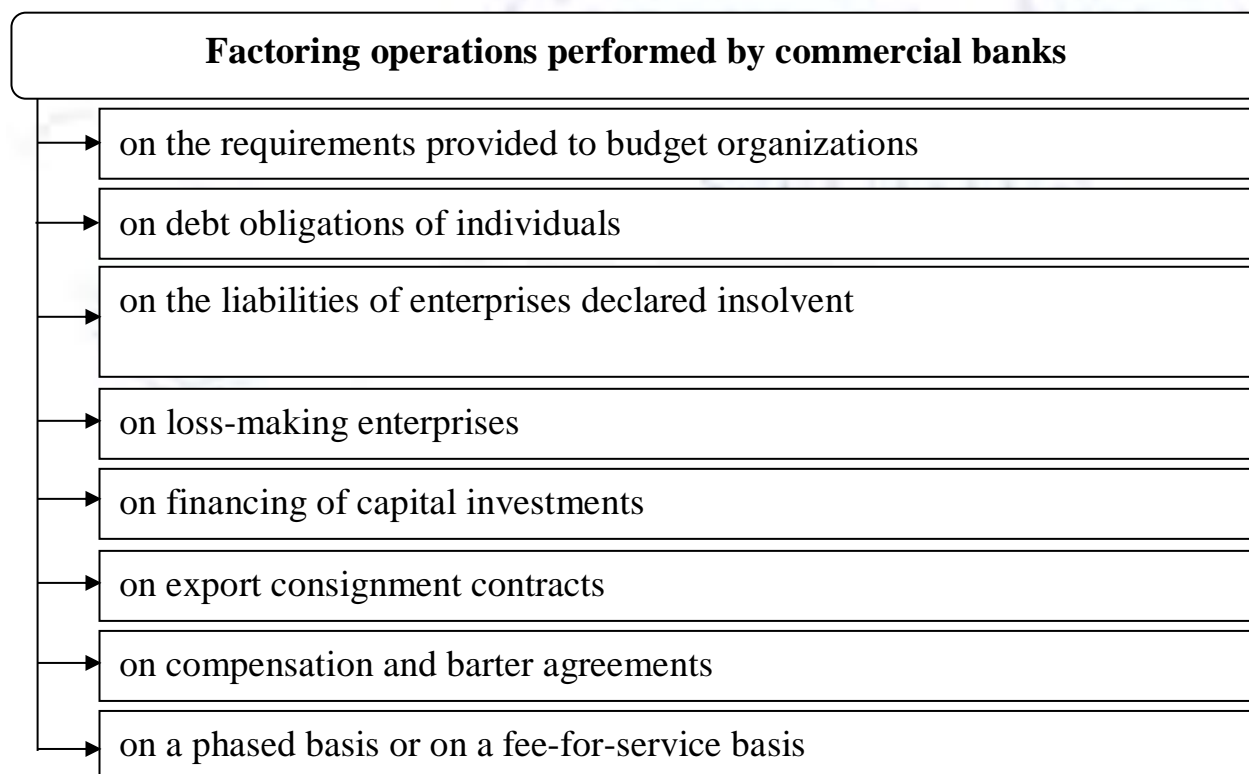
Based on the above considerations, the factoring is not subject to regression in exchange for the transfer of the right to receive payment for goods sent by them, suppliers to the bank-financial agent for goods, work performed or services provided by them, but not yet paid. , it is appropriate to interpret it as a type of banking service in terms of financing.

Factoring is a new type of service in the field of organization of accounts, which deals with lending to the client's capital. Banks carry out factoring operations on the basis of agreements with customers at the location of the main deposit accounts until their demand.

The procedure for conducting factoring services (implementation) was approved by the Central Bank of the Republic of Uzbekistan and registered by the Ministry of Justice of the Republic of Uzbekistan on August 3, 2000 No. 953 and amended on May 21, 2012 and October 7, 2014. on the order of increase ”.

The period for fulfillment of a monetary claim by a payer to a financial agent on the basis of factoring services should not exceed 90 days (Statute, 1998). Banks must take measures in the manner prescribed by law to recover unpaid liabilities from debtors.

In the practice of commercial banks, a number of factoring operations are carried out (see Figure).



Drawing. Factoring operations performed by commercial banks

The payment cannot be made during the period stipulated in the contract, as well as under purchase agreements, which have the right to return the product after the provision of sales services.

When conducting a factoring operation, the bank transfers the funds to the main deposit account until the customer's request for payment orders submitted to the bank in the amount specified in the factoring agreement.

Analyses

The difference between the amount transferred by the bank and the amount of the payment request under the contract is a bank discount.

Absence of overdue accounts payable by the payer is a mandatory condition for the provision of factoring services.

Unless otherwise provided by the contract, the subsequent transfer of the right to demand money by the bank is not allowed.

The difference between the amount transferred to the customer's account number and the amount of the payment request under the contract constitutes a bank discount, which in turn constitutes the bank's income.

After signing the factoring agreement by the parties, the bank-financial agent carries out the transfer of funds to the customer's main deposit account on demand, minus the discount amount.

The client submits the following documents to the bank:

- a contract of sale, performance of work and provision of services, duly executed and signed by the payer;
- documents confirming the transfer of material resources, work performed and services provided (consignment notes, copies of power of attorney, acts of acceptance of works, etc.);
- list of accounts opened by the payer in other banks;
- Documents required to determine the financial status of the payer.

Commercial banks, including TIF Milliyybank, provide factoring services in foreign currency on export contracts in order to expand the export potential of businesses and increase the competitiveness of their products in foreign markets.

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Conclusion

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