Research on the Realistic Obstacles and Countermeasures of the Development of International Factoring in China under the Economic Globalization

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Abstract. Factoring business is a mature and effective method of settlement and financing in the world, and has been widely used in the export trade of today's world because of its own advantages. At present, the competition of international trade has changed from the price of products, the quality of competition to the comprehensive competition of trade mode. International trade has been a major engine of China's economic development, improving the competitiveness of China's foreign trade, seeking to adapt to the characteristics of our country and conform to the international trend of trade settlement, is a matter of economic overall situation. This paper explains the basic theory about international factoring, analyzes the deficiency existing in our country's international factoring industry talent and single product, target customer selection dislocation and other obstacles to development, and from strengthening government functions, put forward corresponding strategies to improve the quality of personnel.

Introduction
"Factoring" is the abbreviation of the international insurance agent service, China has called for the acquisition of business accounts receivable, the exporter for the commercial credit forms selling goods, such as buyer buying on credit, document against acceptance, and so on. Factoring importers buying accounts receivable, and provide financing to the importer, credit evaluation, sales account management, credit risk guarantees, accounts receivable and a series of comprehensive financial services. It is a contractual relationship between the exporter and the factoring, factoring and transportation companies, the commodity inspection department, the port authority and other relevant departments to provide a comprehensive package of comprehensive services to customers.

The Development Trend of International Factoring under the Economic Globalization
Factoring business in the modern sense originated in the United States in nineteenth Century, when the non banks owned by the family of all factoring companies for the country's textile and garment industry to provide domestic factoring services. The second half of the nineteenth Century, factoring to accept the transfer of accounts receivable creditor from the commercial agent responsible for the sale of goods, so that the relationship between the principal and agent in order to become civil legal relationship between the creditors of the assignor and the assignee. Since 1960s, along with the international trade market continues to expand, by factoring in international trade have become increasingly widespread, and there is some professional factoring institutions to coordinate and standardize the behavior of international factoring companies and international factoring business. Today, the factoring business has become the world's attention with comprehensive services of financial services, is a set of trade financing and international bank credit at the same time, in the international trade process and credit funds to finance the category of economic activity, its content is constantly enriched.

Export Trade Financing
Export factoring for sellers of goods or services of export financing, should be done according to
the relevant accounts receivable or prepaid loans, can also be used immediately payment without recourse to buy accounts receivable, so that the seller can timely obtain the required working capital.

**Maintenance of Sales Ledger**

Factoring make experienced professionals using the most advanced technology vendors such as accounting agency account, payment, bill, interest, fees, statistics and print bills, vouchers, statements and other relevant documents and other work. Factoring providers can focus on production and operation, and can make the corresponding reduction of the financial staff and office equipment, reduce costs and improve operational efficiency.

**Collection of Accounts Receivable**

Factoring has a special collection of debt technology and rich experience in debt collection. When the exporter's account expires, the factoring business can be based on the time to take a letter of overdue accounts receivable, call or through foreign cooperative financial institutions to remind the importer to pay the money and other means of collection. If the normal way is unable to receive debt, Factoring can through specialized department with full-time lawyers and to take legal means for the receivable collection to continue.

**Bad Debt Guarantees**

Usually the effective in International Factoring Agreement, the exporter must fill out credit application form, fill out the importer of export products, is expected to total exports, price, terms of payment, request factoring approved a credit sales amount for their customers. Factoring once accepted exporters to customer factoring, for exporters in the line of credit within the sales, if the importer due to lack of solvency and not in a specified time to receive the accounts, as long as it is normal business and bear the limit, the factor will bear the loss of bad debts, which is for the credit in the amount of sales will be full pay to the exporter.

**The Obstacles to the Development of International Factoring in China under the Economic Globalization**

International factoring is a relatively mature financial business in the international scope, but its development in our country is restricted by many factors, which is mainly reflected:

**Lack of Understanding of International Factoring Business**

International factoring has been in our country for many years, but it is relatively low in foreign trade enterprises. In our country, many enterprises in the Export Department of the person in charge that, with the letter of credit as the main traditional trade mode can solve the current international trade market in the buyer's market position, this new concept of international factoring, the lack of understanding of process operation and advantages, the development from the concept of hindering the international factoring business in China, so many enterprises lack of understanding of the international factoring.

**Lack of International Factoring Business Regulations**

Our country has not established a complete set of norms of international factoring legal system. At present, the domestic banks in the factoring business can be used for reference only International Factoring convention and International Factoring convention and other international factoring practice rules. Once the business dispute, China's factoring and exporters will face greater problems and regulations, thus it is very difficult to protect their own interests.

**International Factoring Business Practitioners Lack**

International Factoring involves international settlement, financing, credit guarantee and other fields, and therefore require employees with high level of comprehensive business in, proficient in English, basic computer application, but also has the legal and financial background knowledge, and
understanding of the international practices and rules of international trade. At present, the
development of international factoring business in China's commercial banks and non bank
financial institutions, in the factoring business most of the staff did not conduct professional
international factoring business training.

Target Customer Choice Dislocation
China's banks are in the risk of taking into account, generally will target customers for large
customers, and customers because of its strong financing capability, an independent financial
department for international factoring financing, accounting and other functions are not very large
enterprises rely on. However, small and medium-sized private export enterprises because of their
trade financing, the buyer's credit investigation, sales account management, bad debt guarantees and
other international factoring functions, making their own needs and more dependent on factoring
business.

Technical Difficulties in International Factoring
China's commercial bank or factoring company as a result of the factoring business informatization,
the electronic facility is not complete with each country factoring company and the folk credit
company and other institutions have not yet established the perfect information exchange network.
All of these make the factor cannot fully understand the information of the importer's credit and
operating conditions, the foreign exchange control, foreign trade system, financial policy and other
aspects of the importer's country.

International Factoring Single Product
From an international point of view, the maximum amount of factoring without recourse, that the
buyer prefers a non recourse factoring in our country, since the development of the factoring
business, the credit system is not perfect and the purpose of risk prevention, tend to provide
recourse factoring, which has lost most of the customers.

The Path Choice of the Development of International Factoring in Our Country under the
Economic Globalization

Strengthen Government Functions
The national development of the business of the most effective way is through policy support, will
be introduced to the driving mechanism of interests in international factoring business, such as the
approval for exporters and factoring obstacles and give them appropriate tax relief, the exporter,
factoring providers can be carried out in the profitable factoring, which change from passive
development to take the initiative and innovation. In addition, the government should strengthen
international cooperation between governments, so that domestic legislation and factoring business
of international practice, and the risk of factoring business to a minimum.

Improve Relevant Laws and Regulations
Our urgent need of a modern international factoring business, but also to meet the current needs of
the development of factoring business in our country, the factoring business can really make
standardization and standardization. FCI International Factoring Rules and the International
Association of private international law International Factoring convention have formed the legal
framework of today's international factoring market, Our country can be based on these two
regulations, develop international factoring legal system and the specific operational procedures in
line with China's national conditions as soon as possible.

Improve the Comprehensive Quality of Employees
On the one hand, we should strengthen the cooperation cultivate specialized factoring business
professionals and foreign trade professionals familiar with factoring business, in order to solve the
problem of lack of talent. On the other hand, in order to learn foreign mature management mode
and advanced experience, and we can invite close contacts of foreign factoring company personnel overseas factoring business experience and the latest developments.

**Sound Credit Management System**

Commercial banks should establish a sound credit management system, and through the cooperation between banks and information sharing, the establishment of a complete and reliable enterprise credit management system, to strengthen the management of import and export enterprise credit management. International factoring business to carry out smoothly or not in addition to the bank's own conditions and import and export business credit are closely related, which includes not only the exporter must strictly fulfill the contract, including the approval on the basis of investigation on importers of commercial credit.

**Strengthen International Factoring Risk Prevention**

First of all, to improve the credit investigation of the importer, the full use of credit risk control capabilities and experience, the transfer of accounts receivable set up a special research team to develop risk control standards and strict implementation; Secondly, foreign factoring business experience, with well-known international factoring business cooperation.

**International Factoring Business**

The vast majority of China's exports of labor-intensive products, therefore, the majority of foreign enterprises to export the vision of the long-term, combined with its own actual conditions, to change the business strategy, the international popular way of settlement in international trade to seize the initiative.

**Conclusions**

Our country is a big trade country, we should vigorously develop the international factoring business, and make it play a positive role in the foreign trade enterprises. National policy support is essential, not only to use incentive factoring to expand foreign trade export enterprises, enhance the international competitiveness of foreign trade enterprises, but also to the commercial bank deregulation, encourage state-owned commercial banks to expand their business scope. Whether the financial institutions to provide international factoring or by factoring settlement business, should pay attention to employees' professional training, and promote the healthy development of international factoring business in China.

**References**


