Lending Architecture: Strong ABAC-led foundation for Pathfinder

- April: Sydney Launch of APFF: Lending Workstream Established
- July: ABAC Workshop on Lending at ABAC III in Kyoto
- August: Development of ABAC Model Code
- November: Promoting understanding of Secured Lending through ABAC Report to Finance Ministers
- March: China PBOC-ABAC Workshop in Shanghai on Improving Lending Architecture
- April: APEC-China MOF Seminar in Shenzhen on Improving Financial Services for the Regional Real Economy
- July: APFF Symposium in Seattle
- October: APFF Beijing meeting co-hosted by China MOF

March 2015: Pathfinder Launch at Financial Inclusion Forum

Key Conclusions and Direction

- Market-based and soundly underwritten financing channel is critical to SME growth, and hence growth and innovation in APEC.
  - ABL products, including factoring, can be an important part of the SME financing channel, as they are in many other developed economies.

- Improving predictability and transparency of legal architecture around secured lending will improve access, reduce costs.

- Current discussions in APEC economies are moving in the right direction.
  - Enlisting support of global expertise: IFC, ADBI, IFG, CFA (US), etc.

- Focus on reforms that will facilitate credit supply and reduce risk:
  - to more broadly allow the assignment of accounts receivable,
  - to make centralized registration systems the exclusive means of perfection,
  - to encourage factoring through appropriate licensing authority.

- APEC can become catalyst for global initiatives promoting SME
  - Revitalize UNCITRAL code and other global standards
Work Plan

• Socialize core ABAC Model Code provisions with officials “holding the pen” at Financial Inclusion Forum in March.

• Identify best practice reforms to launch Pathfinder:
  • Japan: Civil Code Reform
  • China: Strengthening Enforcement Mechanisms
  • Vietnam: Secured Transactions Law Reform
  • Global Perspectives: US, UNCITRAL

• Support new legislation in direct coordination with relevant officials.
  • Identify most advanced agendas
  • Enlisting support of global expertise: IFC, ADBI, IFG, CFA (US), etc.

• Goal of 1-2 law changes implemented by mid-2016.