

## Lending Architecture: Strong ABAC-led foundation for Pathfinder

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2013

  - 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
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2014

  - 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
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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



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## 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.



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