The Further Financial Reform and Secured Loan of Movables of Japan

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Session 3: Getting Credit
The further financial reform and
Secured Loan of Movables of Japan

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Remarks:
This session is just my personal opinion,
not the opinion of any organizations.
1. FSA Program

◆ The New Action Program (2005-06)
◆ The Relationship Banking Promotion Plan (2007-)

2. The Relationship Banking Promotion Plan

<Specific revitalization and facilitation of SME financing>

(1) Strengthening functions to support creation and opening of new business

(2) Strengthening functions of management consultations and support for client companies

(3) Proactive effort for business revitalization

(4) Promoting loans without excessive reliance on collateral and guarantee

(5) Developing systems of explanation to customers: strengthening functions to deal with consultations and complaints

(6) Developing human resources
3. Promoting loans without excessive reliance on collateral and guarantee

Secured Loan of Movables and Assigned Claims

< ABL : Asset Based Lending >

Real Estate Collateral and Guarantee

4. Secured Loan of Movables

- Loan of Movables is increasing a lot.

- But amounts are so small.

(Source: Financial Services Agency)
5. Law
“The Law on the registration of Security Interest in Movables and Claims”
October 2005

6. Cases
(1) Stock - Foods
Beef cattle, Pig, Rice, Wine, Rice Wine (Sake) Orchid, Soy Sauce, Seaweed, Noodles, Frozen Food, Processed Marine Products,...
6. Cases

(2) Stock - Goods
   Ship, Car, Scrap Iron, Furniture, Sand,

(3) Stock - Luxurious Goods
   Piano, Jewel, Fur,

(4) Equipment
   Electric Plant, Machine Facilities,
   Tool,

(5) etc
   Patent,
7. Issues

(1) Estimation
(2) Monitoring
(3) Disposal
(4) Sense of Resistance

8. Secured Loan of Movables of USA

- Loan of Movables is increasing incredibly.
- Almost 20% of Bank Loan.

(Source: Commercial Finance Association/USA)
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