

Prospects for the Organization of Securitization of Leasing Assets in Uzbekistan

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Abstract: The article explains the economic meaning of the term securitization and its role in the development of the leasing market. The content, significance and types of securitization have been studied on the basis of scientific works of foreign economists. The application of the securitization mechanism to the leasing portfolio is based on the fact that today the leasing market has risen to a qualitatively new level. In addition, the types of securitization of leasing assets in international practice are analyzed. Scientific proposals on the prospects of developing the leasing market in our country and the organization of the process of securitization of leasing assets.

Keywords: leasing, securitization, leasing asset securitization, classical securitization, synthetic securitization, private legal entity.

Introduction

The problem of shortage of funds in the financial market requires the use of an alternative mechanism for attracting financial resources. One such mechanism is securitization, which is one of the relatively new financial innovations.

The need to ensure the continuity of the financing process and increase its volume, the urgency of improving the attraction of funds, the low value of financial instruments in the stock market, high interest rates on loans, constant changes in banking and tax regulations, as well as technical and technological means of communication. The acceleration of information exchange as a result of armaments has led to the emergence of a new mechanism called asset securitization.

Literature review

The term securitization is derived from English (securities) and means “securities”. The term first appeared in the United States in the 1970s and is now one of the instruments that make up the capital market, with billions of dollars in circulation in Canada, Russia, Europe, Asia and Latin America. Although the term securitization is widely interpreted in the economic literature, there is no single point of view on its economic nature. Some economists have argued that securitization is an agreement between an owner to sell assets to a third party, which states: It is understood that the transfer of the right to receive to a new creditor” [1].

According to a second group of scholars, securitization refers to the issuance of securities secured by a package of mortgage loans [2]. Attempts to clarify the issue can be found in the scientific work of

L. Gavrilova, who, in his opinion, securitization means the issuance of securities with a certain portfolio of assets [3]. Contrary to the views of the two groups of scholars mentioned above, the authors of the third group argue that “Securitization is not just one specific process, but several at the same time, i.e. the sale of assets, the issuance of securities, the accumulation of funds from assets and directly processes such as making payments to investors from funds”. An example of this is the following opinion of N.Aleksandrova: “Asset securitization is such an innovative method of financing, in which the assets at the disposal of the subject of securitization are separated, transferred to a differentiated asset package (money) and removed from its balance sheet. The package is then transferred to a specially formed new entity that will issue the securities backed by the above-mentioned assets in the future. This organization places the issued securities among a wide range of investors” [4].

In studying the economic literature, in addition to the above considerations, we note the importance of the views of I. Blank and P. Rose in this regard. These factors recognized the securitization as the “conversion” of an asset into a security. In particular, I. Blank in his research described the process of conversion of low-liquid financial assets into liquid securities circulating in the capital market as securitization [5], P. Rose described securitization as the process of transformation into low-liquid assets [6].

The main part

Based on the above, it is important to note that the authors emphasized a process that consisted of routine actions when describing securitization. However, in all of them only one or another feature of the securitization process is reflected. Summarizing all of them, we can define securitization as the process of attracting assets to circulation and servicing of securities. In our opinion, all the features of securitization are reflected in this definition, and it is expedient to reflect these features in Figure 1 below.

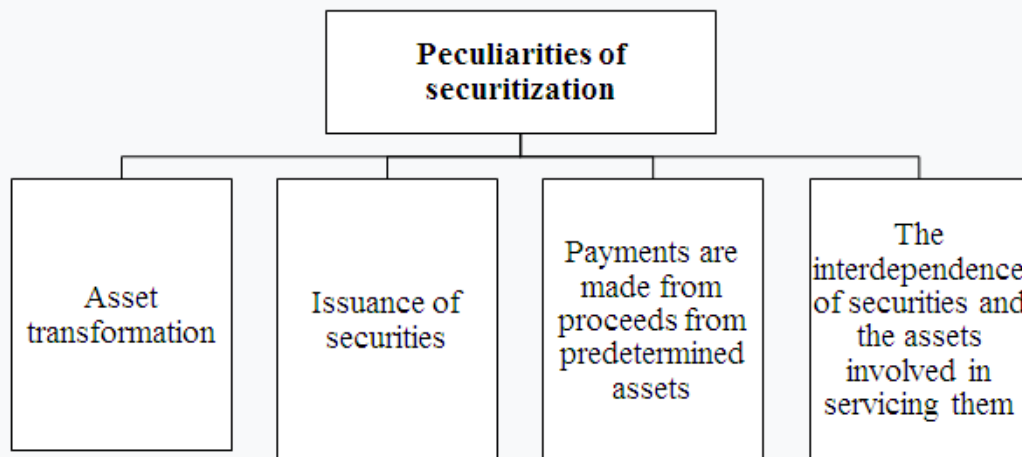


Figure 1. Peculiarities of securitization [7]

The process of securitization of leasing assets occurred in the following four financial instruments - credit, leasing, factoring and securities [8]. This innovative mechanism, which requires the use of different models of investment projects, allows to achieve high economic efficiency in the renewal, modernization and technical re-equipment of fixed assets of enterprises.

The application of the securitization mechanism to the leasing portfolio can now be found in the experience of countries that have entered a qualitatively new stage of the leasing market. In

particular, the process of securitization of leasing assets has been widely used in the United States and Western Europe since the early 1980s, with a volume of \$ 1.5 trillion over the past 20 years. U.S. dollars. At this stage, changes in the volume of transactions by sectors of the economy and types of assets are gradual and, most importantly, are characterized by the development of secondary market infrastructure that allows you to predict the sale value of leased property during the lease agreement.

Securitization of leasing assets is the process of forming a portfolio based on the future cash flows of lease agreements from one or more lessors, which is the sale of these securities to a specific group of investors as collateral for the issuance of securities, as well as for further refinancing of leasing operations.

When analyzing the opportunities for securitization of the leasing portfolio, special attention is paid to the following, namely, securitized assets:

- should be well balanced and diversified in terms of geography, form and size of lessees, as well as sectors of the economy;
- must be legally freely convertible and marketable;
- Must be able to provide a constant and stable flow of cash, the composition of which should be consistent with the structure of payments on liabilities.

In international practice, the following mechanisms are used to securitize leasing assets:

- 1) Classical securitization. This mechanism provides for the sale of assets without intermediaries (true sale), in which the seller is the organizer of the contract, ie the lessor, and the buyer is a special legal entity (SPV). As a result, the new owner of the assets is given the right of ownership to receive the debts and the next issue of securities is carried out.
- 2) Synthetic securitization. In asset securitization, the assets are not always removed from the contractor's balance sheet. In synthetic securitization, ownership of receivables is transferred by the organizer directly to a private legal entity (SPV), i.e. without the right to own the assets, i.e. they are pledged instead of selling the assets.

Thus, the main reasons for the use of the mechanism of securitization of leasing assets in the leasing market are:

- Asset securitization involves attracting relatively cheap resources due to the fact that the cost of debt capital (bank loan) for a leasing company is high at a certain time;
- leasing assets allow to organize the process of securitization in the formation of a portfolio of securitized assets without additional costs;
- As the integration of financial resources intensifies competition among lessors in the capital market, it also aims to find a cheap source of financing, and so on.

Conclusion

In conclusion, the process of securitization of leasing assets in the country directly depends on the level of development of the stock market, the issuance of securities and the functioning of the secondary market, the insurance of contracts and the availability of legal guarantees. It should also be noted that it is important that the securities issued are financially stable, reliable and liquid.

It also requires special attention to the term of the contract, the depreciation of leased objects (fixed assets) in order to minimize the level of risk incurred in the implementation of securitization. Thus,

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the high level of development of the securities market and the insurance market together with the leasing market can be a solid basis for the process of securitization of leasing assets in the country.

In addition, the creation of a legal framework for the securitization of leasing assets in the leasing market of the country (for example, the Law of the Republic of Uzbekistan "On Securitization") and the development of procedures for its implementation will be the basis for the introduction of this mechanism.

Another important aspect is that in securitizing leasing assets, we believe that the contract should be "tax-neutral" and, as far as possible, exempt from registration and similar fees.

In our opinion, the implementation of the above proposals in practice will ensure a high economic efficiency, starting a qualitatively new stage not only in the stock market, but also in the leasing market.

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