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MODEL FOR THE PHASED DEVELOPMENT OF EXPORT FACTORING IN COMMERCIAL BANKS

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In international trade, deferred payment terms have increased the importance of effective working capital management for exporting enterprises and the stability of settlements with foreign buyers. Export factoring supports corporate liquidity through the assignment of monetary claims to a financial agent. Non-recourse arrangements also make it possible to redistribute credit risks among the parties within the scope of the relevant agreements. Accordingly, examining opportunities for the gradual improvement of pricing and risk management mechanisms in factoring services remains a relevant research objective.

Presidential Decree No. PF-109 of the Republic of Uzbekistan, dated 12 August 2024, further enhanced the legal framework for the development of international factoring services [1]. According to the Central Bank, the total volume of factoring services in Uzbekistan reached UZS 9.5 trillion in 2025, including UZS 642 billion in international factoring [2]. In the first quarter of 2026, international factoring amounted to UZS 190 billion, representing a 41-fold increase compared with the corresponding period of 2025 [3]. This positive trend provides a foundation for diversifying export factoring products, adapting service terms to customer needs, and progressively developing credit risk management instruments.

According to the Central Bank's report, in 2025, 40% of international factoring services had maturities of up to 30 days, 26% had maturities of 61–90 days, and 16% had maturities of 121–180 days [2]. These figures describe

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the distribution of transactions by contractual maturity and do not indicate that the transactions were settled ahead of schedule. The report also states that international factoring transactions during the period were conducted with recourse [2]. This practice plays an important role in financing exporters and points to opportunities for supplementing it with risk-sharing mechanisms based on insurance and cooperation between international factoring providers.

This study proposes an evolutionary approach to the development of export factoring, envisaging a gradual expansion of commercial banks' organizational, information-related, and cooperative capacities while retaining the advantages of existing financing mechanisms. A three-stage model has been developed within this approach.

At the first stage, opportunities are considered for making the pricing terms of existing guaranteed factoring products more flexible. In particular, the study proposes calculating the time-dependent discount on the basis of the amount financed, the agreed rate, and the actual number of days for which the funds are used. It would be advisable for contracts to clearly specify recalculation procedures in the event of early repayment, one-off fees, insurance premiums, and guarantee costs. As the Central Bank's maturity statistics do not disclose the tariffs and calculation rules of individual banks, this proposal should be assessed in light of the terms of specific factoring products.

$$D = M \times r \times t / B$$

Here, D is the time-dependent discount amount; M is the amount financed; r is the contractual annual rate expressed as a decimal; t is the number of days the funds are actually used; and B is the 360- or 365-day calculation basis stipulated in the contract. The formula describes only the time-dependent pricing component, rather than all charges associated with factoring.

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Table 1. Model for the Phased Development of Export Factoring in Commercial Banks

Stage	Main mechanism	Expected institutional outcome
I. Guaranteed factoring	Single-factor factoring with recourse; expanding opportunities to calculate the time-dependent discount on the basis of the actual financing period	Systematizing foreign buyers' payment histories; improving contractual arrangements and monitoring procedures
II. Insurance-based factoring	Developing partially non-recourse financing arrangements backed by export credit insurance	Expanding the use of insurance limits, buyer assessment, and indemnification mechanisms
III. Two-factor factoring	Financing based on cooperation between export and import factors, without recourse within the agreed contractual terms	Developing relationships with partner import factors; coordinating risk management and collection responsibilities

At the second stage, it is proposed to develop mechanisms for allocating the portion of foreign-buyer non-payment risk covered by export credit insurance. At the third stage, closer cooperation between export and import factors could facilitate coordination in setting credit limits for foreign buyers, collecting payments, and managing credit risk. It should be recognized that non-recourse protection applies within approved limits and contractual terms, while commercial disputes and documentation-related issues remain subject to appropriate management procedures [4].

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The analysis indicates that the growth of international factoring services creates opportunities for the gradual enhancement of product offerings and pricing approaches. Accordingly, a three-stage model is proposed for commercial banks: first, expanding the use of time-dependent discount calculations based on the actual financing period within recourse factoring; second, developing partially non-recourse products supported by export credit insurance; and third, progressively expanding two-factor transactions through cooperation with import factors. To evaluate the effectiveness of the proposed approach, it is advisable to monitor foreign buyers' payment performance, financing costs, the share of overdue receivables, and the share of non-recourse transactions. Such monitoring may provide an evidence base for future decisions aimed at broadening exporters' access to finance while maintaining proportionate risk management by banks.

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