MODERN MODALITIES OF FINANCING: PARTICULARITIES AND OPPORTUNITIES

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Abstract
In the context of a well-defined market economy, the economic agents need to obtain, under the most advantageous conditions, the financial means necessary for the financing of their activity, which has in the course of time led to the development of complex financing methods, more efficient and accessible to the client legal. The presence of the monopoly on the borrowed lending market by local commercial banks creates impediments to the development and assurance of financial performance of economic agents. One of the fundamental problems of the development of entrepreneurship in Moldova is access to finance, which is often quite complicated and costly. International practice reflects developments within the financial system alongside commercial banks and other non-bank financial institutions, including factoring companies, which ensure healthy competition in the financial services market and free and fast access to borrowed funds. This view is conditional on the need to explore international practice in the area of access to borrowed resources, including the main aspects of modern financing arrangements. The practice of developed countries highlights the presence of new ways of financing, also called modern ways that offer the possibility of a complex package that includes financing and other aspects such as the debtor's debt management.
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Introduction. The globalization of economies, the amplification of economic-financial relations and the need for economical agents to obtain, under the most advantageous conditions, the financial means necessary for the continuation of their activity have led to the development of complex financing methods and techniques, which do not require their collateral to be collateral; classical personalities, such as bank credit granted by a credit institution. Among these financing modalities, factoring and lump-sums have a special place.

The topicality of the theme is determined by the presence of traditional funding methods, or classical ones, most of which are bank credit. The presence of the monopoly on the borrowed market by local commercial banks creates impediments to the development and assurance of financial performance of economic agents. One of the fundamental problems of the development of entrepreneurship in Moldova is the access to financing, which is often quite annoying, complicated and costly. International practice reflects the development within the financial system alongside the commercial banks of non-bank financial institutions and factoring companies, which ensures healthy competition on the financial services market and free and fast access to borrowed resources. This view is conditioned by the need for extensive research into international practice in the area of access to borrowed resources, including the main aspects of developing new funding arrangements, their regulation and their successful implementation in national practice.

Approaching the modern ways of financing in the literature. In specialised literature besides the traditional or classical sources of funding, other sources are also practiced, called by some non-traditional, specific or modern authors. We must point out that some authors, especially the Russians such as Jucov A, Lavriusin I., Zadorojnaia A., Emilianov I., call these sources modern ways of financing, while Romanian authors such as Roventa M., Caraiani Gh. Mihai I, consider these as modern financing techniques, not given by anyone any concrete definition of this term. As a result of the fact that the term of the financing technique is quite narrow, we consider it appropriate to define them as modern ways of financing, because their specificities combine, by means of methods, a certain term for which certain regulations are also specific to the given field.

Thus, modern means of financing can be defined as the *totality of the means, methods and financing methods, other than the traditional ones, combining the aspects of crediting, risk taking, debt management* *and accounting for a certain period of time, based on related contracts specific domains, which also provide for the collection of certain commissions for the financial service performed.*

Research results. In European practice, the modern ways of financing enterprises that find no reflection in the non-EU countries and Moldova, are increasingly met. In the following, we will enumerate and characterize modern financing methods, new or what are called alternative funding methods in the French literature.

Factoring is an agreement between a buyer called a factor and a vendor called adherent, whereby the factor buys the seller's claims, usually without recourse, thus assuming the responsibility for the debtor's claim. If the debtor of the receivables becomes bankrupt or fails to honor its payment obligations for various reasons, the factor takes over the related financial loss. Factoring is considered to be a contract between the supplier of goods or the service provider (called adherent to this contract) and a factor (which may be a banking institution or other specialized financial institution) whereby the receivables of the adhering of sales of goods or services are taken over by the factor for later collection by the debtor.

In general, the basic features of factoring are:

• Funding for claims;
• Credit control and acceptance of credit risk;
• Keeping the sales register;
• Collection of invoices;
• Establish acceptance criteria.

There are no geographic limits on factoring operations. A factor can work in any area, and the customer can have business partners anywhere in the world.

Forfaiting is defined as the process of selling-buying, without recourse to any previous holder, of receivables due on time, as a result of the delivery of goods or the provision of services. Unlike factoring, the term of this type of funding is more than 1 year. The lump-sum transaction is a derivative form of the settlement transaction whereby the sponsoring institution, called a financier, against a lump sum payment (calculated from the date of purchase of the claim to the maturity date) purchases without recourse maturity claims, embedded in securities credit or payable by an insurance payment method by their beneficiaries.

As a transaction similar to the settlement transaction, the lump-sum fee is deducted from the lender's nominal value and therefore paid by the seller in advance at the time of the lump-sum transaction. The main difference between the lump-sum and the discount transactions consists in the transfer from one holder to another, without recourse to the claim and therefore to all the rights and risks that the transactional claim implies by the maturity date. As a sale / purchase transaction, it ends between: seller and buyer - within the primary market or between two financing institutions (seller and buyer) - within the secondary market. The financing institution may be a bank or financial institution specialized in such operations.

Leasing is a financing method whereby a party called a lessor sends to the other party, at the request of the latter, against a periodic payment called the lease, the right to use a good whose owner remains for a specified period of time. Throughout the contract, which is at least 12 months in accordance with the legal provisions, the leasing company remains the owner of the asset subject to the lease.

Syndicated credit involves the granting of a loan by a number of banks acting concertedly to provide the customer with a certain credit facility. Usually syndicated credit is a high credit that a bank can not offer to its clients and appeals to banks within the bank syndicate. The modern practice of syndicated loans can be described as a practice where banks try to meet the increasingly sophisticated needs of clients in a competitive environment involving different types of financial institutions. In the beginning, the banks were syndicating loans either because they could not individually make available to the client a very large amount, either because they wanted to disperse the credit risk. In recent years, corporate finance, in the form of syndicated credit, has seen unprecedented growth, being encouraged by the opening of new markets, the context of globalization, whose economic dimension is dominant, and the need for increased funding of large corporations to compete in the new global economy. Banks around the world syndicate loans regularly. The largest transactions of this type are international and are arranged in the main financial centers of the world (London, New York). The emergence, development and spread of this credit facility was largely due to advantages that other types of lending in the market did not present. The most important of these is that this type of credit allows the lender to obtain a high value loan through a single transaction, a loan that under the same conditions could not be borne by a single bank. Of course, this varies depending on the nature of the transaction and the identity of the borrower, as it is possible for a bank, for example, to be able to provide a 60 million euro credit to a large multinational company, but at the same time not be prepared to bear a grant of the same size to a regional company.

Crowdfunding is a way of financing by borrowing (small and very small amounts) from many people and is often used to fund a social entrepreneurial idea. This is a form of attracting third-party funding from a community of people with whom the project initiator has nothing to do with. In Romania, the term used most often is "multi-financing". Crowdfunding works as follows: The entrepreneur and the grant applicant exhibits a creative project or business idea on an online platform. The idea of crowdfunding was initially used as a way to fund innovative business ideas where entrepreneurs have failed to obtain government funding or a single private investor. Crowdfunding works in the following way: The entrepreneur and financier requests a creative project or business idea on an online platform. These initiatives must be accompanied by arguments to prove to those who might financially support them as important to them, that they might be of use to them as initiatives that deserve community support. If an idea wins the trust of the public, then those who want to support the project can transfer an amount of money to the applicant.

There are two ways to run a crowdfunding campaign when it comes to funding:

• The first is the fixed budget method, where the project owner says he needs an exact amount to cover all project development costs.

• The other method is flexible financing, which involves covering only one component, for example, someone needs only 30% of the total needed.

Funding through asset securitization is the process by which an issuer can create financial instruments by combining financial assets that it then sells under different tranches to investors. Securitization consists of "packing" a number of small, non-marketable mortgages such as mortgage loans, credit card loans in important amounts and which can be secured or guaranteed by private agencies. The term securitization comes from the Egyptian word "securities" securities or securities. Securitization involves the issue of securities representing the right over a group of assets, such as mortgages, and which are managed by a fund. The loan issuer sells the "loan packages" to the fund, which in turn issues securities through an investment bank (underwriter) that sells them to investors. Therefore, this mechanism allows financial or financial assets (mortgages, leases, lump-sums, factoring contracts or supplier / buyer credits) to be issued on the local or international financial market (usually bonds). The securitization actors are: enterprises, financial institutions, public institutions, insurance companies.

Venture capital financing - represents minority or temporary participation in the capital of the newly created enterprise or of a very young. This allows improving considerable the financing of enterprises with a strong potential for development, creating favorable conditions for increasing bank lending. As a result, entering the investor's capital constitutes a formidable leverage effect for bank financing. It allows entrepreneurs to take advantage of advice from investors, their experience, etc. Risk capital is the own-fund operations carried out in innovative enterprises at the initial start-up stage or to new enterprises with strong growth potential. International practice shows that venture capital firms generally have a capital of over 1 million euros. At the same time, regional amortization funds can invest amounts equivalent to 300,000 euros. For starters, entrepreneurs can call for capital at so-called Business Angels, whose investment capacity varies a lot, but does not exceed a few tens of thousands of euros. Risk capital is the financial capital offered to early-stage companies with high risk and high potential for growth. The venture capital fund earns money by owning a part of the company's investment capital, which usually has a new technology or a business model in high-tech industries such as biotechnology, IT and software.

Overdraft and credit lines are the financing of the client's short-term bonds in cases when spending temporarily exceeds the revenue on its current account. The funding period is 12 months, with the possibility of re-utilization and corresponding prolongation of maturity.

Intermediate long-term (5-8 years) subordinated mezzanine finance, fully repayable at maturity, which gives the financier the opportunity to become a shareholder of the company borrowed at a time when the majority shareholder of the company changes or when it is listed on the scholarship. (the law of small and medium-sized institutions). This type of financing is nothing but a loan granted by an investment fund to a company, with the possibility of converting debt into shares, if the loan is not fully repaid and matured. Mezzanine finance is subordinated long-term loans of five to eight years, fully repayable at maturity, the financier having the option of becoming the shareholder of the borrowed company, at a time when the majority shareholder of the firm is changing or when it is listed on the stock exchange. Mezzanine funding can be used both as a way of attracting capital for the development of a society and as a source of funding to acquire a company. As it appears from the name, mezzanine funding is positioned in the financial structure of a company between the "base level" of own funds and the "first level" of the borrowed funds, ie mezzanine funding is a hybrid instrument encompassing both borrowed and own funds characteristics.

The owner of a mezzanine instrument will usually benefit from a top priority immediately following secured or even unsecured claim holders, often being in possession of the shares of other shareholders as a guarantee. A mezzanine financier will usually negotiate various put or call options in order to ensure the liquidity of their holdings in order to contribute to the acquisition of a control position if the performance of the company would drop dramatically, to resort to them in the event of a possible departure from society. Financial longevity is not a stand-alone financing instrument such as a loan or a security, but is a hybrid instrument combining various instruments. The most important instruments of mezzanine financing include private placement instruments (private mezzanine) and capital market instruments (public mezzanine). Among the most frequent users of mezzanine finance are investment funds, managers who acquire their own company as well as those who make other types of purchases by resorting to loan financing. Mezzanine financiers rely heavily on the diagnostic analysis of an investment fund that acquires a company, and allow it to play the leading role in the management of the acquired company, at least as long as it fulfills its business plan.

Subordinated loans are certain receivables not represented by a security, for which the borrower accepts that, in the event of the debtor's liquidation, his rights should be reimbursed only after the satisfaction of the other receivables. It is also known the term subordinated term loan, which in its turn is an element of the subordinated debt of a bank that represents those loans not secured by any title issued by the bank; is characterized as follows: the impostors have accepted that their rights should not be prioritized over those of other bank creators; have fixed a reimbursement date and require a fixed remuneration. This category of loans includes the loans and deposits of shareholders and associates, that is, the amounts made available to the bank by natural persons, shareholders, associates, provided that these amounts are incorporated in the capital within a maximum period of five years from the date and that they remain unavailable until the incorporation into the capital of the bank.

Grant funding is a grant awarded by a donor organization to an organization that requests it to carry out activities that are typically described in the application (also called application) of that funding. The local public administration tries to obtain grants to supplement the funds needed to carry out the priority projects. Grants are obtained by an applicant (applicant) following the submission of a financing proposal to a sponsoring organization. The financing proposal is a written document containing a detailed description of the objectives, activities, methods, operational implementation plans and project budget.

Sometimes the proposal is given the meaning of "application", especially when the funding agency asks for the proposal to be made using its own application forms. The applicant or applicant is an organization that has the resources to develop the proposal and the project management capacity. This organization may be a small, independent agency (for example, a non-profit organization), or it may be a unit within a larger organization (for example, a department or a program within the public administration). The Grant Owner (Principal Applicant) is a large organization that provides the organizational and administrative support of a program for which the grant was awarded. The funding agency is a governmental or private sector organization that has distributed grants.

The funding modalities presented above are widely practiced in European countries, especially for small and medium-sized enterprises. In Moldova, according to the data provided by the National Bureau of Statistics, small and medium-sized enterprises make up about 97% of the total number of enterprises operating. By comparison with the European countries, we can see that if in Europe small and medium-sized enterprises have the choice of different financing methods, then in Moldova they are limited only to bank loans, financial leasing and microcredit that are very expensive at the moment. At the same time, it can be mentioned that the majority of loans granted by banks are short-term credits - 1 year and average term 2-3-5 years.

Recently, there is an increase in loans granted by non-bank lending organizations in Moldova, which, in most cases, exaggerate high interest rates, hidden commissions and whose annual effective interest exceeds 50% of the interest, reaching 100-200%. European practice highlights a fairly efficient way of financing in the short term, such as factoring, which, unlike bank lending, is granted much faster on the basis of the economic agent's bills, in the short term, usually up to one year, and also allows effective debts management . Unfortunately, in Moldova there is no such way of financing, since Moldova is ranked last in Europe in 2017 by the volume of factoring financing.

Conclusions. Unlike the European states, in Moldova the main source of financing for economic entities, especially those belonging to the small and medium-sized sector, remains the bank credit. Among other alternative ways of financing in our country along with bank credit is financial leasing. In order to ensure sustainable economic development, there is a need to develop the market for alternative financing options, so that the entrepreneur offers the opportunity to choose an optimal, affordable and cheaper source for his business. In this context, factoring is one of the financing modalities that could be successfully developed for small and medium enterprises, which make up about 90% of the entrepreneurial sector. It may be appropriate to practice it in Moldova because it allows financing on the basis of payment bills within a short period of 1-2 days, as well as tracking and managing the debtor's claims. This could be done later by changing the legislation of non-banking financial institutions, favoring the development of factoring by reorganizing the non-bank financial microfinance institutions into factoring companies.

The practice of new ways of financing for the Moldovan economy is a very necessary one because it would still ensure sustainable economic development.

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