

The Advantages of Using Factoring, as Financing Technique on International Transactions Market

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Abstract

Factoring appears as a contract between one party (called adherent), providing goods or service and a banking company or a financial institution specialized (called factor), which the last one shall finance debts pursuing and preservation against credit risks and adherent gives factor by way of sale, debts arising from the sale of goods or services to third parties. Factoring is a means of financing business, especially export-import transactions, less known in Romania, but it is present in Romanian legislation since 2002.

In this article I defined the concept of factoring, then I presented the advantages of factoring the last part I approached development of factoring in Romania.

Key words: adherent, factor, international trade

JEL classification: F10, G15