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Schematic Research on China's Infrastructure Leasing Asset Private Placement Securitization

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ABSTRACT

With the ongoing urbanization of China, its infrastructure sector still has a huge room for development and the financial leasing industry is facing a good opportunity while bearing great financial pressure. This article systematically analyzes, through theoretical research and case analysis, the development and status quo of the financial leasing industry in China, and finds that China's financial leasing industry currently faces many problems in terms of financing, development mode innovation and leasing-backed securitization, etc.

Based on past researches on financial leasing and asset securitization, borrowing experiences from the U.S. in leasing-backed securitization and considering the current situation of China's financial leasing industry and the status quo of asset securitization, as well as the developmental environment of and policies for the private market and the present urbanization process, this paper proposes that: leasing asset securitization is able to provide long-term stable, sustained and low-risk capital sources, especially for the infrastructure industry, helping financial leasing companies solve the financing problem; presently leasing asset public offering securitization in China faces a lot of barriers and the development of it cannot match the requirement for capital for the development of financial leasing industry, but the total private market is huge and will provide great capital support for the development of financial leasing industry; considering the successful cases of and relevant macro policies for financial leasing private equity securitization, this paper puts forth five types of workable plan for leasing asset private equity securitization financing, which are bank credit asset financing, asset management business, National Association of Financial Market Institutional Investors, public platform private placement and overseas financing; the ongoing new-type urbanization has a new need for the large-scale construction of infrastructure and a high requirement for the source of capital of the industry, and the securitization of infrastructure leasing asset can, under the premise that "tapping the idle assets", "utilizing the surplus funds" and "de-leveraging" are taken as the main financial decision-making objectives of the local government, help financial leasing companies involving in infrastructure construction solve their financing problems, and at the same time, help the local government achieve the three decision-making objectives as mentioned above.

Key words: Financial leasing, Asset securitization, Infrastructure construction

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Table of CONTENT

CONFIDENTIALITY AND AUTHORISATION II
ABSTRACT III
ACKNOWLEDGEMENTS IV
Table of CONTENT V
Table of TABLES VII
Table of FIGURES VIII
Chapter 1 Introduction 1
1.1 Description of Problems 2
1.1.1 China's Financial Leasing Industry Faces Financing Difficulties 3
1.1.2 Traditional Mode of Financing of Financial Leasing Industry Faces Innovation Problems 4
1.1.3 leasing-backed securitization and Private Market Financing 7
1.2 General Introduction to Theoretical Research 9
1.2.1 Research on Financial Leasing-backed securitization in Other Countries 9
1.2.2 Research on Financial Leasing-backed securitization in China 13
1.2.3 Infrastructure Construction, Financial Leasing and Financial Efficiency 17
1.2.4 Comparison between Private Placement Market and Public Offering Market in China 23
1.3 Research Strategy, Contribution and Structure Arrangement of This Paper 26
Chapter 2 China's Financial Leasing-backed securitization Transaction Structure Design 29
2.1 Leasing-backed Securitization Transaction Structure 29
2.1.1 Stakeholders of Leasing-backed securitization 30
2.2 Leasing-backed Securitization General Risk Management 31
2.2.1 Identification of Risk Sources 31
2.2.2. Leasing-backed Securitization Risk Assessment and Pricing 35
2.2.3 Leasing-backed securitization Risk Control 36
2.3 Basic Models of Leasing Asset Financing 37
Chapter 3 Feasibility Analysis on Leasing-Backed Securitization 41
3.1 Development Status of China's LBS 41
3.1.1 Development Status of China's Asset Securitization 41
3.1.2 Successful Cases of China's Financial LBS 41
3.2 Necessity for LBS in China 45
3.3 Comparison of Public Offering and Private Placement with LBS 46
3.3.1 Barriers for China's Financial Leasing Asset Public Offering Securitization 46
3.3.2 Latest Policies for Private Market in China 47

3.3.3 Latest Policies for Asset Securitization in China 49
3.3.4 Advantage Analysis on Leasing Asset Private Placement Securitization 50
3.4 Securitization of Leasing Assets Private Placement and Macro Economic Risk..... 51
Chapter 4 Feasibility Plan Design for Leasing Asset private placement Securitization 53
4.1 The Bank Credit Asset Type..... 53
4.1.1 Commercial Bank Factoring 53
4.2 The Asset Management Type. 57
4.2.1 Trust Products for High-net-worth Investors 57
4.2.2 Security Company Asset Management Business 60
4.2.3 Subsidiary Company Special Asset Management Plan..... 63
4.2.4 Insurance Capital Creditor's Rights Plan..... 67
4.3 The National Association of Financial Market Institutional Investors Type..... 71
4.3.1 Private Placement Note (PPN) 71
4.3.2 Asset-backed Note (ABN)..... 75
4.3.3 Project Revenue Note..... 78
4.3.4 Medium Term Note 80
4.4 The Public Platform Private Placement Financing Type..... 84
4.4.1 Leasing Property Selling Through Transaction Platform..... 84
4.4.2 Innovation Model: Internet Financial Mode 85
4.5 The Overseas Financing Type 88
4.5.1 Off-shore Asset Securitization..... 88
4.5.2 Cross-Border Financing 89
Chapter 5 Application: Infrastructure Financial Leasing Asset Private Placement Securitization..... 92
5.1 Infrastructure Financing Demands in the Urbanization Process 92
5.2 Financial Leasing Solves Infrastructure Financing Difficulties..... 95
Chapter 6 Research Conclusions and Outlook 133
REFERENCES..... 135
Appendix I: Value Appraisal Report about BOT Project of Kunming South Connecting Highway 143
Appendix II Process of the Special Plan Release..... 155
CV and Academic Achievements Published during Academic Period 157

Table of TABLES

Table 1 Comparison of financing modes for urban infrastructure construction 21
Table 2 Comparison of Financing Products in Inter-bank Markets 83
Table 3 Profile of GBU 103
Table 4 Introduction of main business of GBU 105
Table 5 Product Structure of Priority-level Asset-backed Securities 110
Table 6 The Repayment Plan of Capital and Interest of Priority-level Asset-backed Securities 111
Table 7 Rent Payment Plan of Financial Leasing Contract 115
Table 8 Predictions about Traffic Flow on the South Connecting Highway 2015-2023 116
Table 9 Predictions about Toll Revenue of South Connecting Highway 2015-2023 117
Table 10 Predictions about Net Cash Flow of Toll Right of South Connecting Highway 2015-2023 117
Table 11 Prospective Rating about Asset-backed Securities of the Special Plan 118
Table 12 Class sign and its definition concerning credit rating of asset-backed securities 119
Table 13 Statement 1 of Reinstatement Value of South Connecting Highway Project 143
Table 14 Statement 2 of Reinstatement Value of South Connecting Highway Project 148
Table 15 Statement 3 of Reinstatement Value of South Connecting Highway Project 148
Table 16 Assessment Form of Newness Rate by Observation Method 153

Table of FIGURES

Figure 1 Leasing-backed Securitization Transaction Structure Chart 30
Figure 2 Chart of Basic Models of Leasing Asset Financing 37
Figure 3 Project financing subsection chart 39
Figure 4 Transaction Structure of Special Plan for Far Eastern Phase I 44
Figure 5 Transaction Structure of Simple Leasing Factoring Financing Mode 54
Figure 6 Transaction Structure of Structural Leasing Factoring Financing 54
Figure 7 Transaction Structure for Leaseback Factoring Financing 56
Figure 8 Transaction Structure for Bank Loan and Factoring Combined Financing 56
Figure 9 Transaction Structure of LBS under Trust 60
Figure 10 Transaction Structure of "Double SPVs" of Guangfa Securities 63
Figure 11 Transaction Structure of Special Asset Management Plan of GBU and Subsidiaries of Fund Management Companies 66
Figure 12 Transaction Structure of Insurance Capital Investment into Public Rental Housing Construction Project 70
Figure 13 Transaction Structure of the First PPN for Financial Leasing in China 74
Figure 14 Transaction Structure of ABN in Financial Leasing Industry 78
Figure 15Transaction Structure of PRN in Financial Leasing Industry 80
Figure 16 Transaction Structure of MTN of Far Eastern 82
Figure 17 Transaction Structure of Leasing Property Selling Platform 84
Figure 18 Transaction Structure of Cooperation of Financial Leasing with Internet Financial 87
Figure 19 Transaction Structure of Off-Shore Asset Securitization in Financial Leasing Industry 89
Figure 20 Transaction Structure of Cross-Border Financing in Financial Leasing Industry 90