INDICE

Acknowledgments	Vii
Introduction	ix
What the book aims to do	Х
How the world bank has supported reform	χi
Chapter 1. Why collateral matters	
Borrowers typically face requirements for collateral	1
Loans secured by collateral have better terms	4
Most enterprises have productive assets but cant use them as collateral	6
Chapter 2. How collateral reform can support other important	
reforms and initiatives	13
Broadening the effect of macroeconomic reform	
Supporting the objectives of reform of bank supervision and regulation	15
Fostering capital market development	16
Shoring up state loan and guarantee programs	17
Allowing the growth of financial leasing	18
Supporting judicial reform	19
Reinforcing the strengths of microfinance institutions	20
Chapter 3. The economic consequences of obsolete systems for	
secured transactions	00
Creation: problems that exclude goods, agents, and transactions	23
Limits on who can be a party to a security agreement	24
Limits on coverage of goods and transactions	25
Limits on using a general description of collateral or a floating security interest	26
Limits on creating a security interest in after-acquired collateral or after-	29
created debt	23
Priority: problems that undermine lenders security	30
No priority rules for future advances	32
Limits on the continuation in proceeds and products of a security interest	33
Limits on creating security interests in fixtures	34
Hidden tax liabilities and superpriority for the state	36
Divided registration systems that cause conflicts in priority rules	37
Publicity: problems that hamper filing or retrieval of records of security	
interests	38
Restrictions on access to registry records	
Requirements for inspection of documents	
Requirement for filing documents rather than simply notices	39
Multiple and unlinked registries	
Lack of advance filing and blocking	
High fees for filing	40
No internet-based systems for filing or information retrieval	
Uncompetitive supply of registry services	41
Enforcement: problems that prevent rapid seizure and sale of collateral	42
Court-administered sales	
Homestead and exempt property provisions	45
Delay caused by bankruptcy procedures	46
Annex 3.1 Features of reformed and unreformed systems for secured	47

transactions	
Chapter 4. Determining the content of the reform	
Covering the detail	53
Shaping the architecture	
creation	54
Priority	
Publicity	57
Enforcement	
Derogating conflicting laws	58
Chapter 5. Implementing the reform	61
Carrying out the diagnostic study	62
Initial legal assessment	63
Field interviews	65
Data	71
Preparing and presenting the draft law	
Timing of presentation	74
Drafting committee	
Commentaries	75
The filing archive	77
Building public awareness and mobilizing support	
Private lenders and sellers on credit	78
Debtors and borrowers	79
The government	
Lawyers and notaries	80
The legislature	
The central bank or superintendent of banks	82
Weighing when to compromise	83
Chapter 6. Monitoring and evaluating the reform	
Measuring economic gain using model-based indicators	85
Measuring gains using data from filing archives	88
Assessing access to credit using enterprise survey data	89
Assessing lenders transaction costs using doing business indicators	90
Appendix. Resources	93