

MARKETING OF DEBTORS AND THEIR DEBTS

Financial stability of any company no matter which is the sphere of its activity is determined by the purchasing power of its customers, or if the company is paid fully and on time for the production or services supplied.

Economic situation in the country is known to influence the activity of every entrepreneur subject. Such factors as decrease of production, crises of payment default, effectiveness of monetary and credit policy of RF CB, level of inflation in the country; increase the bulk of debtors' debts.

Under this situation much depends on the organization of control in the company management over debtors' debts being one of the most important current assets and marketing of companies due to their payment ability.

Such marketing starts at the moment of discussing the articles of agreement with the client when you are to decide which form of work is to be chosen and if it is possible to let the client delay paying. Making the agreement you are to precise the terms of goods delivery and terms of payment, moratorium interest for failure to fulfill the agreement terms and conditions and guarantee obligations.

Compiling the agreement you are to be ready to apply to arbitration board. If you go to the arbitration board you are to present the original forms of all the necessary important juridical documents such as agreements, letter of attorney, invoices, requests, etc. These documents must correspond to the legal requirements. The arbitration board can not consider it to be legitimate if only the copies of the documents or any other just written prove is handled, if the original document has been lost or haven't been passed to the court. Mention should be made that copies of the documents shown by the parties are not identical to the original documents.

Every agreement is advisable to compile with the lawyer participation. A client can avoid paying his debts in case of juridical faults in the agreement.

How to control the debtors' debts at the company? It is advisable to realize such control through monthly reconciliation report. The reconciliation report helps to remind the debtors on their debts and testifies the correctness of the calculations made in the frameworks of the acting agreement. This instrument of control over

the debtors' debts makes it possible to discover discrepancies which can appear in the creditor's or debtor's calculations and avoid undesirable conflicts that lead parties of the agreement to apply to the court.

The reconciliation report of calculations between the creditor and the debtor is to comprise all the necessary data which serve as basis to prove the sum of the debt – it must contain numbers and dates of primary accounting documents issue. These documents confirm the price of shipment (bills, sales invoice, consignment, certificate of work completes, etc.) and accounting documents, which confirm the sums of payment (mainly remittance order). Also numbers and dates of other documents which confirm debt-service (agreements, reconciliation acts, etc.) are required. Besides the reconciliation statement it is to comprise the sums of penalty costs, calculated due to the terms of the agreement.

If the debtor refuses to accept the debt or if any discrepancy appears and the parties are unable to reach consensus, their relations are subject to juridical investigation or through legal activity. In case the company-debtor is liquidated it is the liquidation commission that is to respond for the debt payment.

The procedure of the liquidation of the juridical organization is determined by the article 63 of RF SC. The information about the period during which the creditors may forward their claims to the company liquidated is issued by the liquidation commission in mass media. This period must be no less than two months from the date of the information published.

Moreover, the liquidation commission is obliged to inform the creditors in a written form about the liquidation of the debtors company.

If the debtors do not possess the necessary financial resources to satisfy the creditors, the liquidation commission puts the debtors' belongings on sale due to the order set up for fulfillment of juridical decisions.

The debt payment is done a month after the intermediate liquidation balance sheet confirmation.

If the liquidation commission refuses to satisfy the client's demands, or it doesn't seem to tackle the problem, the creditor due to the article 64 of RF SC may appeal to the court.

If the creditor's demands cannot be satisfied because there are no resources left after the property selling, the company-creditor should consider the money lost.

Debts which are not paid in time according to the agreement and are not

covered by corresponding guarantees are considered to be doubtful or uncollectible debts.

Chapter 12 of RF SC uses the term “legal limitation” that is a period during which one whose rights are violated can apply to the court. Such period lasts 3 years.

Due to the article 200 of RF SC this period starts from the day the person has learned about the violation of his/her right. The period of legal limitation starts from the moment when the time to pay the debts finishes. When the period of legal limitation comes to its end, the debtor’s debts are written off to the financial results of the company.

From the point of view of getting “ready cash”, the most “profitable” way is to sell the debts. It means that another organization receives the right to require the payment.

Such deal doesn’t change the idea of the basic agreement and it will have the same form of debts payment for supplied goods or services.

Even if the creditor doesn’t receive the whole sum he gets ready cash which can be used in the capital turnover..

Practice shows that if professionals are invited to tackle the problem it turns to be settled easily – even debts which seem to be unreal for payment are returned in a short time period.

An experienced lawyer having the agreement, guarantee letter, signed invoices or acts about the work fulfilled, compile claims to the debtor with a notice that if he doesn’t make payment the case will be passed to the court.

This step as a rule is enough to get the money back. The debtor having received a claims letter is aware that if he doesn’t pay or if he doesn’t start negotiations he is to face the creditor in court.

In case the debtor doesn’t react on your claims, the lawyer passes the claims to the court and defends there your interests.

The success is with high professionalism and experience.