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Keywords: Heilongjiang Trade with Russia, Supply Chain Financial Risk, Prevention and Control Mechanism

Abstract: through the study of supply chain, finance and financial risks, this article clarifies the five major risks arising from the supply chain finance of trade with Russia in Heilongjiang province, and proposes risk prevention and control mechanisms for these major risks. Through research, it is found that credit risk is mainly composed of three aspects; market risk mainly refers to the risk of loss in on-balance sheet and off-balance sheet positions caused by market price fluctuations; business operation risk mainly refers to the operational procedures which are complicated and prone to deviations; legal and regulatory risks are mainly due to imperfect legal provisions in Russian trade; logistics supervisors management risks mainly come from the imperfections of the supervisors' own review of collateral items. After studying the risks and their causes in trade with Russia, a prevention and control mechanism was proposed: improving the comprehensive access management of relevant credit-granting entities throughout the industry chain; improving the dynamic management of pledged assets, mainly focusing on the selection of pledged assets; optimizing the key points of the business process and standard operation links; improving relevant laws and regulations; strengthening logistics regulatory access management.

1. Introduction
Since the 21st century, financial services have been an indispensable part of supply chain competition, and competition among enterprises has gradually evolved into competition between supply chains. Currently, most commercial banks are making every effort to launch a variety of supply chain financial products. However, when domestic supply chain finance is being launched fiercely, the supply chain finance in Heilongjiang’s trade with Russia is left unattended. Therefore, under the guidance of existing literature research, the author will study the supply chain finance risks in Heilongjiang province's trade with Russia. At the same time, it discovered the risks in the application of supply chain finance in Heilongjiang’s trade with Russia, and proposed a precautionary mechanism.

2. Definition of the Connotation of Supply Chain Financial Risk

2.1 Supply Chain
The Definition of the Supply Chain in Modern Management Education is That the Supply Chain Surrounds the Core Enterprise, and through the Control of Logistics, Capital Flow, Business Flow, and Information Flow, Starting from the Purchase of Raw Materials, It is Made into Final Products and Intermediate Products. in the End, the Sales Network Will Deliver the Products to Consumers, Connecting Manufacturers, Suppliers, and Distributors to the End User into an Entire Functional Network Chain Structure.

2.2 Supply Chain Finance
Supply Chain Finance Refers to a Financing Model in Which Commercial Banks Provide Flexible Use of Financial Services and Products to Each of Its Upstream and Downstream Enterprises and Core Enterprises. It Passed a Review of the Entire Supply Chain, Based on the
Control of Core Corporate Credit Capabilities and the Strength of Supply Chain Management. the Win-Win Situation of Supply Chain Financial Subjects is Mainly Achieved by Supply Chain Finance. First, Banks Can Have More Customer Bases Mainly through the Expansion of Business Scope of Commercial Banks; Second, Upstream and Downstream Smes in the Supply Chain Want to Save Transaction Costs and Information Costs, and Can Continue to Rely on the Core Corporate Credit Increasing Production, Obtaining More Funds, and Alleviating the Pressure on Financing; While Core Companies Do Not Need to Provide More Funds, They Only Need to Provide Credit Guarantees to Enable a Steady Stream of Smes to Join This Supply Chain.

2.3 Supply Chain Financial Risk

With the Development of Major Banks' Supply Chain Financial Products, Supply Chain Finance Has Gradually Become a Household Name. on the Surface, Supply Chain Finance Takes Real Trade as the Background and Relies on Core Companies to Continuously Provide Financing Services to Smes, Which Gradually Reduces and Diversifies Risks. Supply Chain Financial Risk Mainly Refers to: Because the Actual Returns of Supply Chain Financial Products Are Affected by Many Factors, the Actual Returns of Commercial Banks in the Process of Financing Some Companies in the Supply Chain Will Differ from Expected Returns. This Can Lead to a Situation Where Funds Can Only Be Partially or Completely Recovered. the Financial Risks of Heilongjiang's Trade Supply Chain with Russia Studied in This Article Mainly Include Five Risks: Credit Risk, Market Risk, Business Operation Risk, Legal and Regulatory Risk, and Logistics Supervisor Management Risk.

3. Risks of Heilongjiang Province's Trade Supply Chain Finance with Russia

3.1 Credit Risk: the Core Enterprise Credit Risk is Composed of Core Enterprises, Upstream and Downstream Enterprises, and Trade Background Authenticity Risks.

In Heilongjiang province’s trade supply chain finance with russia, core companies occupy a dominant position in integrating supply chain information flow, capital flow and logistics. Through continuous division of labor and cooperation with banks, core enterprises have provided the basis for commercial bank supply chain capital financing before and after lending. Once the core enterprise's debt due to credit bundling exceeds its ability to bear or credit risk occurs, the credit base of the entire supply chain guaranteed by the core enterprise will no longer exist. Credit risk of upstream and downstream enterprises. Although Heilongjiang province’s trade supply chain finance with Russia has reduced the credit risk between banks and enterprises and the credit risks of upstream and downstream smes by adopting various aspects of credit support technology, smes as direct lenders of credit also exist as follows: incomplete system, small company size, weak ability to resist risks, etc. Due to the existence of many small and medium-sized enterprises in the supply chain, our province's banks cannot conduct a complete and detailed asset credit investigation, especially the ability to monitor the dynamic risks of russia's supply chain and the understanding of corporate credit.

3.2 Market Risk: Changes in Interest Rates, Exchange Rate Prices, and Commodity Prices

The definition of market risk is: the risk of loss of on-balance sheet and off-balance sheet business caused by continuous adverse changes in market prices. Market risk can be divided into three aspects, namely interest rate risk, exchange rate risk (including gold), and commodity price risk. These risks are caused by the constant changes in interest rates, exchange rate prices, and commodity prices. The china banking regulatory commission also mentioned in the “guidelines for the management of commercial banks' market risks” that the risk of loss in the business of commercial banks due to adverse changes in market prices is market risk. Commercial banks' trading and non-trading businesses often trigger market risks. If the loan cannot be repaid after the repayment period, once the price continues to drop, then the asset value of the company that used to be used as the guarantee and collateral is likely to be significantly different from the realised value, and the bank will lose. There is no way to make up for it. This is the market risk of supply chain...
finance in our province's trade with Russia. Since the interest rate and exchange rate of Heilongjiang province's trade with Russia often change, these changes have determined the variability and instability of market risks.

3.3 Business Operation Risks: Deviations in Operation

At present, most people in the financial field think that one of the most important risks to be avoided in the supply chain finance business is business operation risk. Heilongjiang province's trade supply chain financing steps with Russia include: credit review, account posting, credit review, approval, loan recovery and post-loan problem management. Any deviation in any of these steps may cause irreparable losses to the bank. The establishment of Heilongjiang province's trade supply chain finance with Russia is different from the first source of credit risk for corporate credit. It is mainly accomplished through the use of third-party supervision of companies and rigorous operation process design, and comprehensive control of information flow, logistics and capital flow, as well as a self-paying trade structure. However, this undoubtedly puts forward higher requirements for the standardization and rigor of the operation link, and thus forms the transfer of corporate credit risk to business operation risk, the implementation of the operation requirements, the integrity of the operation charter, and the rigor of the operation link. Sexuality will directly affect the effectiveness of the first repayment source, thereby determining whether credit risk can be effectively shielded. At present, our province's trade supply chain financial business in Russia is different from traditional business from business access to review approval to post-loan asset management, so it requires higher levels of specialization.

3.4 Legal and Regulatory Risks: Imperfect Clauses

The legal risks in Heilongjiang’s trade supply chain finance with Russia are mainly asset-backed credit business. Therefore, in the financing process of our province's trade supply chain finance with Russia, the safety of financial institutions in conducting such business is subject to security rights in movable assets. The direct impact of the attribution, the uncertainty of our province's supply chain financing business in Russia is mainly affected by factors such as the ambiguity of the relevant domestic legal system of such business in China. Because the legal provisions related to the province's trade supply chain finance with Russia are not complete, it is very easy to generate moral hazards by using loopholes in laws and regulations to obtain benefits. When banks provide financial services to the Russian trade supply chain, due to the different legal environments of the two countries, it is very easy to affect the development of our province's trade with Russia.

3.5 Risk Management of Logistics Supervisors: Improper Operation

Under the financial framework of our province's trade supply chain with Russia, in order to reduce the cost of pledged loans and fully demonstrate the logistics supervisor's professional and scale advantages in logistics, banks will outsource the supervision of pledged properties to some more specialized ones. For logistics enterprises, logistics supervision enterprises perform the supervision of cargo rights on behalf of banks. However, once this business is outsourced, banks will reduce their dynamic understanding of collateral trade information, quality information, and ownership information, and logistics supervisors will manage the risks arising from this. Due to asymmetric information, the bank's interests may be damaged by the logistics supervisor, or the bank's losses may be caused by the improper operation of the logistics supervisor.

4. Heilongjiang Province's Financial Risk Prevention and Control Mechanism with Russia's Trade Supply Chain

4.1 Strengthening Comprehensive Access Management of Relevant Credit-Granting Entities throughout the Industry Chain

From the perspective of an entire industrial chain, the comprehensive credit business carried out by each transaction party on the industrial chain is called supply chain finance. Therefore, the transaction quality of credit-granting companies needs to be audited in various aspects, and
objective evaluations of the integrity of the entities in the supply chain, the transaction status with counterparties, and business capabilities are made. It is also necessary to improve the ability to control the true information of the credit subject from the perspective of supply chain association. The first line of defense for the prevention of financial risks in the Russian trade supply chain to Heilongjiang province is pre-credit review. Commercial banks should strengthen the pre-loan review and guidance of trusted enterprises, clarify the focus and steps of the review based on the characteristics of different businesses, and plan to carry out detailed rules before the credit review. The principle of field investigation should be strictly adhered to, and understand the cooperative relationship and trade records of the upstream and downstream enterprises of the credit granting subject. The changes in its prepaid accounts, inventory, payables and other subjects should also be carefully verified. The appropriateness of relevant financial indexes and turnover speed should be strictly evaluated to avoid formalization of pre-loan reviews; according to the business characteristics of our province's trade supply chain finance with Russia, we should strengthen the investigation of the credit and credit subjects of both parties in the transaction, and strengthen the operation of enterprises at the same time as investigating the relevant situation such as the situation, repayment ability and loan capacity, it is also necessary to understand the transaction situation between customers more thoroughly, carefully investigate the basic background of Heilongjiang province's trade with Russia, and the authenticity of the trade contract between the two parties. The principle of field investigation should be strictly adhered to, and understand the cooperative relationship and trade records of the upstream and downstream enterprises of the credit granting subject. The changes in its prepaid accounts, inventory, payables and other subjects should also be carefully verified. The appropriateness of relevant financial indexes and turnover speed should be strictly evaluated to avoid formalization of pre-loan reviews; according to the business characteristics of our province's trade supply chain finance with Russia, we should strengthen the investigation of the credit and credit subjects of both parties in the transaction and strengthen the business while investigating relevant situations such as the situation, repayment ability and loan capacity, it is also necessary to understand the transaction situation between customers more thoroughly. The basic background of Heilongjiang's trade with Russia and the authenticity of the trade contracts between the two parties need to be carefully investigated to fully reflect the operating conditions of customers. Establish a joint credit approval system. In order to meet the complex credit needs of our province's trade supply chain finance in Russia, banks should link the current credit requirements of single customer credit, financial enterprise credit, group institution credit, etc. To the requirements of Heilongjiang province to Russia's trade supply chain financial credit, a set of joint credit approval systems should be established. Changing the current situation of ignoring the trade status of the enterprises in the supply chain in the province's trade with Russia and relying on the credit of core enterprises to replace the credit supply of the entire supply chain, and the status of the credit situation of other enterprises in the province's trade supply chain with Russia is not considered. To complete the credit consolidation and credit reconstruction of all enterprises in the supply chain. Strengthening the management of credit access to core subjects.

4.2 Improve Dynamic Management of Collateralized Assets

Pay attention to the choice of pledged assets. When selecting pledges and collaterals, you should choose products with strong market liquidity, stable value, easy realization and easy storage. The ownership relationship of the pledge and collateral shall be clarified by asking the pledgee to give the relevant invoices, transaction contracts, transport documents, and ownership certificates. Ownership disputes caused by the ownership of mortgages and pledges flowing between different entities need to be avoided through effective verification of real property ownership and strict inspection of relevant vouchers; when selecting accounts receivable, the cooperative relationship between the two parties in trade should be selected and accounts receivable with a good credit record and clear debt and creditor relationship and transaction content. The account receivable is within the validity period of the creditor's right and is convenient for endorsement transfer. The basic contract of the account receivable must be absolutely authentic. In order to be able to correctly
select pledged goods, logistics companies are required to establish a fast and flexible market product information feedback and collection system.

4.3 Optimize Business Operation Processes

The financial operation risks of Heilongjiang's trade supply chain with Russia are complex and changeable, and there are many links in the operation process. Commercial banks should establish clear and detailed operational specifications based on the characteristics of our province's trade supply chain financing business with Russia. Strengthen the construction of information systems, accelerate the informatization of our province's financial management of Russia's trade supply chain, and achieve effective control of operational risks in all links. Establish clear and detailed operating requirements. In the pre-loan review stage, considering that the conditions for reviewing Russian trade information are more complicated than granting credit to general enterprises, banks should establish professional relevant review templates. Investigators should collect information on companies in accordance with the template requirements, reducing personnel's subjective investigations. The impact of the results; at the final stage of the credit business, the detailed requirements, control responsibilities and key points of the contract signing, seal verification, and bill delivery with the upstream and downstream enterprises and the credit enterprise should be clearly defined. In the management of post-loan and payment management, the operation link requirements, operation steps and risk points of concern for items such as payment recovery and supervision of pledges should be determined, so that business operators have clear reference guidelines and strictly control discretion. Responsible for business management needs. Strengthen the training of professionals in the supply chain financing business of Russia in Heilongjiang Province, do a good job in training back-office personnel, account managers, and risk managers, establish a certification system for certified employees and employees, and create a professional management and operation team.

4.4 Improve and Apply Relevant Laws and Regulations

The protection of financial assets should usually be achieved through the rational use of relevant laws and regulations in Heilongjiang's trade with Russia. The legal department and personnel of commercial banks should carefully study the various applicable issues of financing products in our province's trade with Russia, and should continuously improve and develop business rules and regulations consistent with our province's supply chain finance to Russia, including Chain business operation guide, industry management methods and related access regulations. Establish a special legal response to the lawsuit or coordinate various legal affairs, and strengthen the degree of control over assets in the event of default, so as to effectively ensure that the bank's assets are not damaged. Continuously improve the protection laws on movable property. China should revise the unsuitable and practical funds in the original law as soon as possible. According to Heilongjiang Province's supply chain financial financing business to Russia, develop specific detailed laws and regulations, and understand relevant laws on trade with Russia.

4.5 Strengthening Access Management to Logistics Supervisors

In the supply chain financial business of Heilongjiang Province to Russia, logistics supervisors are not only entrusted by commercial banks to ensure the effective preservation of mortgages and collaterals, but also to provide professional supervision of pledges and collaterals provided by customers. They also mastered the changes in information about cargo transportation, outbound storage, and inbound storage of upstream and downstream enterprises in the entire Russian supply chain in our province. However, the current situation of logistics supervisors has uneven corporate qualifications, irregular transportation and warehousing supervision, borrowers and logistics companies jointly deceive banks, lack of professional knowledge and integrity, etc., making it very important to divide the logistics supervisor's access standards. In order to prevent huge losses caused to banks by problems such as incomplete management systems and substandard operations of logistics supervisors, the focus should be on selecting good credit status, complete storage facilities, operating standards, advanced management technology, high staff quality, and strict
supervision processes. Regulators to cooperate. It is necessary to establish a regular inspection mechanism for domestic and foreign logistics supervisors, strengthen inspections, and focus on reviewing whether domestic and foreign logistics supervisors carry out storage, storage, and operation of quality goods in accordance with the operating procedures, whether the ledger is complete, the procedures are complete, Whether it meets the requirements of the storage method and whether the daily care of the goods meets the standards. For domestic and foreign logistics supervisors who do not meet the standards, they should supervise and improve in a timely manner, and should immediately withdraw if necessary.

5. Conclusion

With the continuous improvement of China's foreign trade in recent years, Heilongjiang Province, as a port city, should pay more attention to its trade with Russia. In the trade with Russia, supply chain finance, an emerging financing method, has been widely used. After understanding the supply chain financial risks in international trade, this article studies the financial risks and prevention and control mechanisms of our province's trade supply chain with Russia, and draws the following conclusions:

First, it defines the meaning of supply chain, supply chain finance, and supply chain financial risks. Supply chain financial risk refers to the risks arising from various factors in the financing process;
Second, the financial risks of our province's trade supply chain with Russia are analyzed in terms of credit risk, market risk, business operation risk, laws and regulations risk, and logistics supervisor management risk;
Third, credit risk caused by information asymmetry, market risk caused by asset price changes, business operation risk caused by imperfect operating procedures, legal and regulatory risks caused by large operability, and risks caused by poor management of logistics supervisors have been understood;
Fourth, a financial risk prevention and control mechanism is proposed for Heilongjiang’s trade with Russia’s trade supply chain. It is analyzed that credit risk can be prevented and controlled through comprehensive access management of relevant credit-granting entities; through the selection and management of pledged assets to prevent and control market risks; prevent and control business operation risks by establishing clear and detailed operational requirements and speed up the construction of information systems; prevent and control legal and regulatory risks by defining and improving laws and regulations; and strengthen the supervision of logistics supervisors admission management to prevent and control the management risks of logistics supervisors.

References


