

OPERATING LEASE



## ONE RENTAL, MANY ADVANTAGES

With an Operating Lease agreement you can enjoy the use of vehicle without the risk of ownership, as the vehicle is treated as an off balance sheet item. Monthly rentals are based on the difference between the price of the vehicle at the start of the agreement and its projected residual value, plus finance charges. Therefore only a proportion of the vehicle's value is being repaid which avoids any large initial outlay and reduces the monthly rental, improving your cash flow situation.

At the end of the term you can choose to extend the agreement or simply return the vehicle, leaving Iveco Capital to dispose of the vehicle, thus freeing you from any further obligations apart from any excess mileage or damage charges, if applicable.

We offer a fixed initial term, but with built-in flexibility. This means we can match the term of the finance to the length of a contract and, in the event of you having further need of keeping the vehicle, we offer attractive terms for extension.

For Operating Leases of five years or less, we have the legal and tax title to the asset, allowing us to make effective use of writing down allowances, which we pass on to you within the rental. In addition, you claim tax relief on the whole rental amount through your profit and loss account.

For Operating Leases beyond five years, where certain criteria are fulfilled, the entitlement to writing down allowances transfers to you. Your cash flow is eased still further because you pay VAT on the monthly repayments, not on the principal purchase cost.

### Key Features and Benefits at a glance:

- Monthly rentals reduced, based on guaranteed residual values
- Improved cash flow
- Low initial capital outlay
- No asset ownership risk
- Off balance sheet
- Flexibility to extend the lease term
- Tax efficiency – rentals allowable against the taxable profits
- VAT on the monthly repayments, not on the principal purchase cost

To find out more about how Iveco Capital Operating Lease can benefit you and your business, please contact your local dealer or call the Iveco Capital team on 01923 259777.