

# YOUR FINANCE CHOICES

## FINANCE LEASE

### PRODUCT INFORMATION

Finance Lease is a rental arrangement where at the end of the agreement you can share the potential rewards of the resale value of the hired vehicle.

### KEY FEATURES

Finance Lease is a rental arrangement for business customers. You will not own the vehicle. There are two types of Finance Lease agreement – ‘balloon’ payment and ‘full pay out.’ This page explains full pay out Finance Lease.

Under the full pay out agreement you will spread and pay the amount financed equally over the primary period of hire as monthly rentals. At the end of the primary period of hire you can cease using the vehicle and potentially share in the proceeds of sale, or if you want to continue to use it you can enter into a secondary period of hire.



**Initial rental**  
As little as one months' rental

**Cost of leasing your vehicle**

**Rental payments**  
Spread across 12 to 60 months

There are two decision to make that will affect your monthly rentals:

**Your rental payment period**  
Choose any primary hire period between 12 and 60 months

**Your preferred deposit amount**  
Choose to pay a lump sum or between 1 & 6 advanced rentals

### IMPORTANT POINTS

#### Business Users

Finance Lease agreements are available for business customers and are suited to VAT registered businesses.

#### Advantages of a full pay out Finance Lease

- There is no large final rental payment at the end of the agreement.
- Opportunity to share in any excess proceeds of the sale of the vehicle.
- A proportion of rentals may be claimable by your business as an expense against taxable profits.<sup>1</sup>
- Depending on level of business use, an element of the VAT on rentals may be recoverable by VAT registered businesses.<sup>1</sup>

#### Important

- You must keep up to date with your monthly payments. Contact us if you are having any difficulties as your possession and use of the vehicle may be at risk if you don't keep up to date.
- You must comprehensively insure the vehicle.

- You must keep the vehicle maintained, serviced and in good condition as this will affect the vehicle's resale value, and your potential to receive a rental rebate from sales proceeds.
- Rebate of rentals from sales proceeds value of the vehicle at the end of the agreement is not guaranteed.
- Finance Lease agreements are intended to run their full term and not to be settled early, but if you wish to end your agreement early you can request a settlement quote. The settlement figure will be based on the amount of rentals left to pay.

#### End of primary hire options

- At the end of your primary period of hire you have two options:
- Enter into a secondary hire period, paying an annual 'peppercorn' rental to retain the use of the vehicle.
  - You can sell the vehicle on behalf of Toyota Financial Services as our agent to an unconnected third party and receive 100% the proceeds of the sale as a rebate of rentals.

#### Ownership of the vehicle

No, as a lessee, you will not own the vehicle.

<sup>1</sup> Customers are responsible for establishing their tax and VAT status, liability and benefits, Toyota Financial Services does not provide advice and makes no representations or guarantees.