FLEET MANAGEMENT | TOYOTA

Funding options
An overview

Funding options
The easy way to finance your fleet

Whether you finance your vehicles via an operating lease, finance lease or term purchase, or offer your employees the option to take out a novated lease, TFM is your complete asset management partner.

Features and benefits

In the table on your right, you'll find a snapshot of services available. Whatever your business needs, there's sure to be a product, or combination of products, to suit your asset finance requirements.

Features

Type of funding option	On/Off balance sheet	Economic asset risk of profit/loss on contract end	Legal Ownership	Non luxury# vehicle rent payments are income tax deductible	Input Tax Credits (ITC) claimable on vehicle purchase	ITC claimable on rental	Accounting rental expense in P&L statement	Accounting depreciation and interest costs in P&L statement	Non luxury vehicle depreciation and interest tax deductible	Contractual Residual Value (RV) or balloon payment requirement	End of contract choices
Operating Lease	Off	TFM	TFM	Yes	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Yes	Yes	No	No	No	Return/ extend
Finance Lease	On	Customer*	TFM - Offer may be made to purchase	Yes	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Yes	No	Yes	No	Customer (subject to ATO min. RV rules)	Make offer to buy/ return*/ extend
Term Purchase	On	Customer	TFM - Until final instalment is paid	No	Customer; upfront (also upfront on interest) - but restricted ITC on luxury vehicle	N/A	No	Yes	Yes	Optional	Pay or refinance balloon (if any)
Chattel Mortgage	On	Customer	Customer	No	Customer; upfront - but restricted ITC on luxury vehicle	N/A	No	Yes	Yes	Optional	Pay or refinance balloon (if any)
Novated Finance Lease	Off	Employee*	TFM - Offer may be made to purchase	Yes	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Yes	Yes^	No	No	Employee (subject to ATO min. RV rules)	Pay RV/ return*/ extend
Novated Operating Lease	Off	TFM	TFM	Yes	TFM (reduces amount financed; restricted ITC on luxury vehicle)	Yes	Yes^	No	No	No	Return/ extend
Buy/Own	On	Customer	N/A	N/A	Customer; upfront - restricted ITC on luxury vehicle	N/A	N/A	Depreciation only	Depreciation only	N/A	N/A

How does it work?

You have the flexibility to choose from our complete range of funding options designed to suit your unique business needs. What's more, TFM's fleet management services are available with all funding options and include services like:

— Fuel cards

— e-TAGs®

— Registration renewals

— FBT management

— Maintenance & tyres

— TFM roadside assist

— Accident management services.

For a full list of services, please refer to the fleet management services guide.

Like to find out more?

For more information on TFM funding options, contact your TFM Relationship Manager or visit **toyotafleetmanagement.com.au**

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* If vehicle on finance lease is returned at end of contract, economic asset risk still remains with customer (finance lease) or employee (novated finance lease) given that party carries residual value indemnity obligation.

Leases and term purchase over luxury vehicles are both deemed sale and loan arrangements for income tax purposes, with business customers taking deductions for tax depreciation (subject to an opening cost cap) and interest in the finance contract over the life of the finance contract.

^ In novated leases, the usual approach of employers is to economically recoup the full costs of the novated lease to them (including any FBT costs) through employee pre-tax sacrifice and potentially also employee post-tax contribution. Thus the expense of the novated lease is offset with reductions to the salary expense and post-tax employee contribution revenue.

General Disclaimer: The table is only a 'snapshot' and does not cover all specific circumstances of individual customers and is not intended as a comprehensive analysis. Customers should take their own independent accounting and taxation advice before entering into arrangements. We have assumed the customer is GST registered and does not use the vehicle for making GST input taxed supplies, and we have further assumed the customer is liable to income tax at organisational level.

In all cases, if the vehicle is made available for the private use of an employee at any time in an FBT year to 31 March, the FBT consequences will need to be considered.

Move forward with us
1300 888 870
toyotafleetmanagement.com.au

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