



# AGCO Finance Basic Product Comparison

## Regulated by the Consumer Credit Act 1974 (as amended)

Description	Loan Agreement	Hire Purchase	Finance Lease	Operating Lease / Contract Hire
<b>Deposit required</b>	No	A deposit is usually required in addition to the full vat / vat difference	Minimal	Minimal
<b>VAT deferral for up to 3 months?</b>	N/A	No**	N/A	N/A
<b>Pay for full value of equipment over the term?</b>	N/A	Yes	Yes	No - depreciation only
<b>Own goods/equipment</b>	Yes	Not until all payments made and option to purchase fee has been paid	No	No
<b>Right to return goods/equipment</b>	N/A	After 50% of the total amount payable, as defined in your Hire Purchase contract	No	No
<b>Can I sell the goods/equipment?</b>	N/A	Yes, once the outstanding balance has been paid in full	No	No
<b>Fixed monthly/periodic payments</b>	Yes	Yes	Yes	Yes
<b>Pay for Damage on return of equipment?</b>	NA	No	No	Yes
<b>Excess wear and tear costs?</b>	No	No	No	Yes
<b>Depreciation in value of equipment risk</b>	Yes	Yes	Yes	No
<b>Early redemption fees</b>	No	No	N/A	N/A
<b>AGCO Finance is Secured by title to the equipment</b>	No	Yes	Yes	Yes
<b>VAT</b>	N/A	Payable in full at start **	Paid on each rental	Paid on each rental
<b>Accounting treatment*</b>	Interest deductible as trading expense*	Interest deductible as trading expense; asset and liability on balance sheet*	Your accountant or financial advisor will help you determine the appropriate accounting and tax treatment of your business*	Rentals normally deductible as a trading expense*
<b>Benefit from surplus Sale Proceeds, once any settlement due to AGCO Finance has been fully paid</b>	Yes - if a tangible asset	Yes	Yes	No

\*Your accountant or financial advisor will help you determine the appropriate accounting and tax treatment of your business

\*\*In development