




The benefits of rental vs. ownership are too good to be overlooked...

- Rental is 100% tax deductible as an operating expense
- There is no long term liability
- Rental is part of the opex budget - not the capex budget
- Keep up with current technology and upgrade equipment without capital constraints
- .... and more

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To produce income, you're not interested in OWNING something, you're interested in how AVAILABLE it is for you to use. If you do the numbers, owning technology is often the most expensive option, because it is effectively worthless after only a few years.

***Own your land. Own your building. But don't own boxes of silicon and copper, and heaps of metal.***

Rental Finance has a number of compelling benefits over ownership, and specific advantages over many more primitive "rental" schemes from companies that don't understand that technology is not just an expense – it's also a driver of your business.

Ownership of equipment isn't what it used to be. Not when it comes to technology, where your company gets stuck in a cycle of paying for rapidly depreciating assets that are less and less able to keep up with user requirements.

South Africa is starting to take the hint from the USA, where 65% of equipment is rented - not bought. As more and more South African companies see the value of rental

finance, AMGFin has developed great rental options customised for every organisation.

## **Why rent equipment?**

Because you don't want to own something that gets old and loses its value faster than you can say "AMG!"

Rental finance is an off balance-sheet operating expense, which can be deducted from your taxable income. This capital can be put to better use to grow your core business. The bottom line to your business is that the technology assets you need are obsolete before they've even depreciated enough to be written off.

Before your equipment starts to creak under your business' demands, we can be back with an upgrade to refresh your equipment inventory. With AMGFin's flexible rental finance plans, your technology is upgraded and replaced in full. And at the upgrade point, the effective interest rate paid to date can be as low as 3%.

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# **MAIN BENEFITS OF A RENTAL TO THE CUSTOMER**

- **TAX BENEFITS**

RENTAL IS 100% TAX DEDUCTIBLE AS OPERATING EXPENSE  
VAT IS PAID MONTHLY ON RENTAL PREMIUMS  
REDUCE YOUR NETT TAXABLE INCOME

- **OFF – BALANCE SHEET FINANCING**

NO LONG TERM LIABILITY  
DOES NOT AFFECT CURRENT GEARING AND EXPOSURE  
ONLY REFLECT IN INCOME AND EXPENDITURE STATEMENT

- **BUDGET PURPOSES**

PART OF OPEX BUDGET – NOT CAPEX BUDGET  
LESS BUDGET CONSTRAINTS  
USUALLY NO DEPOSITS  
NO CASH DRAINAGE  
IMPROVED CASH FLOW

- **UPGRADEABILITY**

CLIENT CAN UPGRADE EQUIPMENT WITHOUT CAPITAL CONSTRAINTS  
KEEP UP WITH CURRENT TECHNOLOGY AND IMPROVEMENTS ON EQUIPMENT

- **END OF TERM OPTIONS:**

CONTINUE RENTING AT A MUCH LOWER MONTHLY RENTAL  
UPGRADE YOUR EXISTING INFRASTRUCTURE WITH NEW EQUIPMENT  
RETURN THE EQUIPMENT WITH NO PENALTY  
OBTAIN OWNERSHIP OF THE EQUIPMENT AT FAIR VALUE