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Commercial Hire Purchase

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Overview	<p>Commercial Hire Purchase (also known as a CHP or Asset Purchase) is similar to leasing, except the customer claims the allowable depreciation on the vehicle or equipment plus the interest component as a tax deduction. This is opposed to claiming the actual lease payments.</p> <p>The choice between the two will depend on which option maximises the customer's tax deduction. This in turn will depend on the term and the depreciation rate allowable on the vehicle or equipment. This is particularly useful when the customer wants to upgrade the vehicle/asset at mid-term or term end, helping to avoid capital gains tax liability.</p>
Suitable for	Generally this is suitable for business users using the "accruals" method of accounting for GST, or for an individual who uses their car for business e.g. sales rep with a car allowance.
Security	The loan is secured by the vehicle/asset.
Other	Deposits or trade ins can be applied

If this product suits your requirements please contact DWF Finance. Remember check with your accountant as these contracts are binding and cannot be closed out without incurring expense.