

OPERATING LEASING COURSES FOR SPRING/SUMMER 2009

Module OLP2.1

Operating Leasing for Lessors

(Half Day Course)

Topics

The future for operating leasing under the current regime

Business travel taxation: how operating lessors are affected including car lessors and contract hirers

The long-funding operating leases

Operating leases vs. finance leases

Pricing operating leasing – the role of capital allowances

The importance of the residual in pricing

“Substance over form” argument: the present value test

Current tax regime – the 80% test

Forms of operating lease

The risks of ownership:

- insurance (property and third party liability), maintenance and inspection rights, the obsolescence factor

Asset risk management: setting residual values

Sale

- open market
- manufacturer’s/supplier’s buy backs
- controlling second-hand and new prices

Module OLP2.2

Operating Lease Pricing

(Half Day Course)

Topics

Interest and Tax

The current tax regime

Approaches to the evaluation of operating leases

Understanding the use of interest compounding

The basket-rate approach to funding

Understanding the lessor’s tax position

Measuring profitability

Evaluation

The different methods of evaluation and their effects on income

- Gross or net?
- gross, net after tax and dual rate of return

Sale

Asset pooling

- treatment of short life and long life assets
- pooling and de-pooling
- the consequences of a change of assumptions

Sale for tax written down value: a hidden lessor risk

Module OLP2.3

Operating Leases: Law and Documentation

(Half Day Course)

Topics

Operating leasing and the Law

How the law impacts on product liability, implied terms and sums due on termination

Operating Lease Documentation

How the law impacts operating lease; an examination of the clauses in a lease and of related documentation

The module will also cover inter alia:

- insurance, maintenance and inspection rights
- termination, repossession and redelivery
- sale rights and return conditions

Agreements with third parties

- intended to realise residual value e.g. as RVI put options and re-marketing agreements

Module OLP2.4

Asset Management: from Valuation to Remarketing

(Half Day Course)

Topics

Valuation methodology

- factors affecting residual value setting
- return conditions and RV setting

Portfolio management

- pro-active and reactive portfolio management strategies

End of term

- remarketing strategies
- case studies in each of the core valuations, portfolio management and remarketing

Asset risk mitigators

Regulatory issues:

- IAS and asset management
- BASEL II and asset management