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THESIS

TOPIC: A Linguistic Approach to Leasing

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CONTENTS

CHAPTER 1: INTRODUCTION TO LEASING

The term “leasing” comes from the Latin word “laxare” which means “solve”. It is about a contract between a company of special purpose (lessor) and an enterprise or a professional (renter) through which the former grants to the latter the use of enterprise or professional equipment for a period of time in return foe rent. In the meantime, the renter has the right to purchase the equipment or to renew the leasing. In essence, leasing, is a financial mechanism which allows an enterprise to renew and extend its productive facilities without spending equity capital or loan. In other words, the leasing company includes three parts: one of them is the enterprise which wishes to increase its productive means and accepts the use of these means but does not accept them a s a property. Secondly, the supplier wants the selling of goods. Finally, the leasing company which purchases productive means which, in turn, will be given to the enterprise through a predetermined contract. This new productive financial mechanism has been broadly implemented in industry in the commercial enterprises and professionals. The kinds of equipment covered by leasing method are machinery, aircrafts and industrial plants.

1.2 Purpose

The purpose of leasing has developmental and modernizing purpose as it is an alternative and supplementary financing.

The developmental purpose of leasing is shown by the fact that it offers an extra kind of financing to the renter. This means that it offers an alternative or supplementary financing choice without substituting the traditional kind of loan fulfilling its investing needs.

The modernizing purpose of leasing is attributed ti the possibility of the leasing company to supply and lease the renter with new and various technological equipment.

The development of leasing is mainly attributed to investing activities. The philosophy of leasing is based on the promotion of investments in combination to the developmental motives for expansion and modernization of the enterprises so as to increase the production and productivity.

In many countries, where leasing has been implemented, it has been rapidly developed and in an unforeseen way.

This has to do with the fact that the institution of leasing has covered financial gaps in industry within the last decades.

Leasing contributes to the promotion of the productive investments and, generally, to the development of the economy. Leasing gives the opportunity to the enterprise-renter to expand, renew and modernize the productive facilities without being obliged to turn to loan or to give equity capital. The investing activities through leasing can be implemented both in public and private sector and mainly in industry and agriculture and farming sector and also in small and medium –sized and processing enterprises.

Leasing is mainly implemented in farming industries, farming federations and small and medium-sized enterprises because they do not have equity capital for technological equipment and because they do not demand for secured loan or because they do not have access to funding organizations or they do not have borrowing capability.

So, leasing gives the opportunity to renters to overcome obstacle of borrowing. Also, leasing helps the enterprises to obtain the necessary equipment to promote their productive activities.

1.3 GENERAL FEATURES OF LEASING

Leasing is a kind of financing for productive equipment whose leasing company, keeping its ownership, assigns the use of this equipment to the entrepreneur (renter) for a specific period of time in return to predetermined rent paid in predetermined periods of time. Leasing is a kind of alternative financing to the traditional way of borrowing. Leasing combines the features of bank loan and renting of capital goods.

LEASING

In the procedure of leasing, we can find the user (renter) and the leasing company, as a financing intermediary, and there is the possibility of the occurrence of alternative co-operations.

TRADITIONAL FUNDING

In this procedure, there is the owner (lessor) and the user (renter). In other words, the lessor is the owner of an asset that is leased under an agreement to the renter. The renter makes one-time or periodic payments to the lessor in return for the use of the asset. The lease agreement is binding on both the lessor and the lessee, and spells out the rights and obligations of both parties.

In addition, the lessor may grant special privileges to the renter, such as early termination of the lease or renewal on unchanged terms, solely at his or her discretion. The lessor is also known as the landlord in lease agreements that deal with property or real estate.

CHAPTER 2: THE PARTIES OF LEASING CONNNTRACT AND THE RELATIONSHIP BETWEEN THEM

A leasing contact is drawn between a leasing company and a renter the company owns the item for leasing and rents it to the renter in return to successive payments.

2.1 THE LEASING COMPANY

A leasing contract can only be drawn by a limited company which has been founded to carry out such works under the permission of the Bank of Greece. According to a specific legal provision, public organizations, social insurance organisms are allowed to draw leasing contracts.

The permission by the Bank of Greece is also required for turning an existing public company into a public limited company with the sole purpose of drawing a leasing contract for the establishment and operation in Greece of foreign leasing companies.

The law 2076/1992 partly changed the legislative scheme and since then the permission of the Bank of Greece has not been required for the recommended or converted leasing companies which are subsidiaries of credit institutions and also for the foreign leasing companies which has been founded and operate in another Member State of the European Communities and they are subsidiaries of Community Credit Institutions.

Therefore, the legal provision for the required special permission of the Bank of Greece only concerns the recommended leasing companies when they are not subsidiaries of credit institutions and foreign companies in the country based in Member State of the European Union, non-subsidiaries of credit institutions and the founded foreign companies of third countries in the country.

The provision of this special permission of the Bank of Greece is at its discretion in such a way required for the foundation of limited banking company defining at this point two related general rules and the compliance with the principles of the management in case of refusal.

It is clear that limited companies falls to the law as for the way of foundation. The following are necessary:

- The registration of the companies to the Registry of The Limited Companies.
- The decision of the prefect to approve of the company
- The provision of the license of establishment of the company.

The paid equity capital required for the establishment of the leasing limited companies cannot be less than the half of the least of the equity capital required for the establishment of the limited banking companies. So, this sum should be 9.000.000 euro at least, and it should be exclusively paid in cash. Also, the shares should be registered.

The purpose of the leasing company is the accomplishment of financing activities; the conclusion of leasing contracts of mobile or immovable property for professional use. Any other parallel financing is not possible.

The conclusion of any other legal act which is demanded for achieving their goal is not forbidden. Such legal acts are:

- Credit agreements with credit institutions
- Purchase of mobile and immovable property for leasing
- Their participation in the capital of other companies only if this participation is not their sole enterprising activity from which profit is expected.

As for the leasing real estate companies, they fall into this legal purpose, as they participate in construction companies from which they purchase estate property and they rent it to their customers.

All these requirements which must be fulfilled by the leasing companies so as to conduct leasing activities, they offer important security to their customers such as:

- The occurrence of high share capital
- Supervision by the Bank of Greece
- The exclusive activity of these companies with leasing

2.2 The Renter

Despite the fact that there is a strict law for the requirements of the leasing company, it is not the same for the counterpart.

The renter can be any natural person or legal body which owns an enterprise (private or public) or has a job and the renter can be of any nationality and origins.

So, individuals who want to be provided with goods for domestic or temporary user are exempted from the leasing contract.

2.3 The Supplier

It is important to mention at this point that the supplier does not participate in the leasing contract (lessor-renter) but a separate agreement is used.

The supplier of the item can be any nature person or a legal body or a combined capacity of a manufacturer or industrialist. This can play an important role in case of any abnormal development of the contract due to real defects or lack of agreed features of leasing activity.

2.4 The Relationship between the Lessor and the Renter

The leasing contract between the lessor and the renter is not a simple leasing contract but a complex or a mixed one which has the following features:

- A leasing contact which is different to many parts from the simple leasing.
- There is a contract of order with which the lessor orders the render to negotiate with a supplier on the item and the terms of the sales agreement which will be drawn by the lessor and the supplier.

- A contract of concession, according to which the company assigns the requirements that has to the renter, who, in turn, will be able to force the supplier to carry out his duties.
- A contract of option, according to which the renter has the right to purchase the item or renew the rent for a specific period of time.

2.5 The Relationship between the Lessor and the Supplier

The lessor (leasing company) and the supplier (manufacturer or trader) are connected with each other with a sales agreement which is drawn by the lessor in person, or through the renter who acts as his representative.

Also, when the lessor aims to draw the agreement in person, it is possible the renter to be in charge of the negotiations. So, if the agreement is not drawn and a matter of responsibility comes up from the negotiations, we have to point out :

- If the lessor had loss, he can ask for reimbursement from the supplier
- If the supplier had a loss, the lessor is accountable for the fault of the renter

According to this agreement, the following should be agreed:

- The delivery of the item will be direct by the supplier to the renter without any meditation or intervention of the lessor.
- The rights of the lessor to the supplier from the sales agreement due to non fulfillment or defective fulfillment are accorded to the renter.

2.6 The Relationship between the Renter and the Supplier

According to the contract, the renter is not related to the supplier. Also, the renter can turn against the supplier and can also force him to comply with his obligations as a sales man reimbursing him.

The renter, as a transferee of the rights above, is allowed to exercise them and he can ask for redress of the loss.

CHAPTER 3: CATEGORIES OF LEASING

3.1 OPERATING LEASING

In the case of operating leasing, the leasing company provides the renter with machinery and equipment for a specific period of time and it can rent it to another customer.

The items of leasing are items which can be successively used by different renters. The lessor provides with maintenance security services of the fixed asset.

3.2 FINANCIAL LEASING

Contrary to the operational leasing, financial leasing is a kind of leasing which combines banking loan and renting of capital equipment.

The object of financial leasing deals with leasing and equipment which cannot be used by other renters and their value should be depreciated during the contract.

The lessor can (or cannot) provide with maintenance or security services for the equipment. The renter is responsible for the maintenance and repair of this equipment.

3.2.1 SPECIAL KINDS OF LEASING

1. DIRECT LEASING

Direct leasing is a method of huge industrial enterprises and it is used to promote their sales and the financial part is undergone by a specialized subsidiary company. In this case, the manufacturer is responsible for the provision of further services, for example, the maintenance, the training of the staff etc.

It is a modern method which offers to the enterprises and own-account workers the possibility to obtain:

- Mobile equipment

Brand new or used equipment from Greece or abroad, for example, any kind of machinery , telephone stations and networks, air-conditioners, equipment for surgeries, hotels and restaurants, agriculture and road works machinery.

- Business premises

Offices, shops, industrial buildings, shopping and exhibition centers, warehouses and other buildings for professional use.

So, the enterprises are able to obtain the means so as to operate and at the same time, they are able to take advantage of tax and other assets of leasing without blocking their funds.

2. Service leasing

It is the case mentioned above according to which the maqnufacturer usually undertakes further services such as maintenance, training etc. this case is classified in direct leasing.

3. Vendor Leasing

It is a technique for sales promotion according to which an equipment supplier signs an agreement with a leasing company and after that it provides customers with the final purchase through a long-term renting which is offred by the leasing company. From this company, the supplier receives the total value after signing the agreement with the customer. The agreement consists of several terms according to the requirements of the customers which means that is a tailor-made renting (for example seasonal variation according to the sales of the final product, the payment of the rent etc).

The co-operation between the leasing company and the supplier of the equipment contributes to the increase of the sales from both parts.

4. Master Lease Line

A contract between the leasing company and the customer can be signed which may be applied during the gradual acquisition of the most of the programs.

5. Leveraged Leasing

In this case, leveraged leasing can be applied to things of great value (ships, aircrafts, trains etc) and the co-operation of four parts is necessary:

- The customer
- The industrial manufacturer
- The leasing company
- The banking organization

The bank directly provides the industry with the money and gets a part of the rents by the leasing company which acts as a mediator for the placement of the equipment.

6. Sale & Lease Back

The renter buys the item and then he sells it to the leasing company from which it is rented back. This metho

d is selected for dealing with an urgent need of liquidity on behalf of the renter. Also, the enterprise has the possibility to improve its total assets through payment of it which funded the acquisition of fixed assets. The own-account workers are not allowed to sell their professional estate property to the leasing company and after that they are not allowed to rent it. But they are allowed to sell the equipment.

7. Cross-Border or Offshore Leasing

This case is different from the others above as exchange is the means of payment for the rent. This fact has further risks.

8. Operating Leasing

In this category of leasing, the lessor, apart from the offer of the use of the goods, also undertakes its technical support, repairs and insurance. In other words, the lessor is obliged to keep the leasehold in a normal condition for the agreed used. The maintenance cost is included in the payments of the rent. A special feature of this kind of leasing ia that they cannot be fully depreciated as the payments based on the contract are not sufficient enough to cover the cost through repeated rents or through the offer of the rented property.

The difference between this kind of leasing and the simple kind of leasing is that in this case the lessor bears the investing risk who wants the successive rent of the item to different people and not for its concession for its whole economic cycle to one renter and gaining profit only by this one. Operating leasing is mainly used for cars, computers, farming machinery, medical equipment and machinery for technical works. The long-term leasing of a new car is a package of services such as taxes, insurance fees, roadside assistance etc. as a result, the customer has only to pay for the fuels and any possible fines. The contribution of the long term leasing to an enterprise is very important in the case of operating leasing of corporate cars. Operating leasing started in Greece in 1989. In this case, the lessor offers and guarantees a number of cars in full and continuous availability while the renter has nothing else to dop but to pay a rent.

9. Real Estate Leasing

Real estate leasing has substantial differences from liaising of mobiles which exist due to the different nature of the fixed asset. In other words, while in the case of leasing of mobiles the main feature is the connection of the duration of the contract with the economic cycle of the item, in the case of real estate leasing the things are different. The special features of this are the following: long duration of rent, possible increase of the value of the item, residual value that cannot be pre-determined and high risk of the lessor.

This means that while the value of the rented property would exhibit α trend of revaluation under normal conditions, there are cases that the opposite happened. Real estate leasing is possible to operate as direct leasing, sale or leasing.

CHAPTER 4:LEGAL FRAMEWORK OF LEASING

4.1 Leasing & its Institutionalization Abroad

After many attempts for a simpler definition of leasing by the International Institute for the unification of the private law , they were not satisfactory.

By this descriptive definition, it is shown that it is about a three-part contract with financial content which was not enacted and was not conceptually defined but only customarily in a progressive way, as it started and developed as an institution in the USA based on the Anglo-Saxon law.

It was introduced in the European countries as an institution which was the need for defining the contract of leasing and setting rules which define the content of the contract.

In France, leasing (CREDIT-BAIL) is defined as legal acts which deal with leasing of enterprising equipment which can be purchased.

Due to specific rent by enterprises which keep the ownership of this equipment when the content of the legal act enables the renter to acquire the rented item at an agreed price and payments are also counted as rents.

The Belgian legislation deals with the rules that exist in the contract so as to define that the time of the contract has to coincide with the economic life cycle of the rented item and that the agreement will include the right of OPTION for the purchase of the rented item at a price which is equal to the market and the residual value of the item when the renting is expired.

According to the Italian law, leasing is defined but the contract is not further adjusted.

In Germany, leasing falls into the provisions of Civil Code which adjust rent and also in the law of 1977 which adjusts the trade contacts.

In the USA, as leasing spreads the need for specific adjustment was of urgent importance by the Civil Laws or the Standard Trade Code which is valid for all States, apart from Louisiana, which emphasizes on the distinction between true and non true rent. This distinction has to do with the fact that if the contact contains the right of option for the renter to purchase the rented property. So, it is a non-true leasing contract to provide security in which the provisions of protection of the rights of the ownership are not implemented only if some statements of the Standard Code are complied so as to protect the right of the lessor.

It is good to mention that true leasing has assets in cases of late payment and breach of contract by the renter.

In Great Britain, leasing has the rules of the common law which exist in leasing of mobiles and soμe provisions of the substantive law which govern the consumer credit and the unfair terms of contract. It is also accepted that leasing operates in the same way selling under conditionality or selling with pledge.

The parts do not consider that the rented property will have other value than the symbolic one when the rent contact is expired. As a result, it is obvious that legislative measures in the USA and in the European countries adjust the kindb of leasing which is called “ FINANCIAL LEAS” in England, “TRUE or NON TRUE

LEASE" in the USA , "CREDIT – BALL" in France and Belgium, "FINENZIERRUNGS LEASING" in Germany.

4.2 Legal Framework of Leasing in Greece

The leasing contract is drawn between a specialized company and an enterprise or a professional of the use of the item and the right for purchasing or renewing of the rent for a specific period of time.

The specialized companies are established to serve leasing purposes under the permission of the Bank of Greece which is also necessary for the foundation of foreign companies in Greece.

The share capital of leasing companies is required to be equal to the capital of the establishment of the a limited company. (12.000.000 euro) or the half of this sum.

Finally, the shares of the companies are nominal and these companies are under the supervision of the Bank of Greece.

The leasing contract is drawn and registered in the book of the Regional Court in the section 5 of the law ND/1038/1949 in the place of residence or establishment of the renter and in the Regional Court of Athens and its duration is defined ; no less than three years. During the rent period, the item is insured against damage or deterioration while the three parts can be authorized to have rights on it. To define the rent and the price of the purchase there is a combination of interest clauses value of exchange or a combination of these.

In case of purchase of the item before the passage of two-year time from the start of the renter is obliged to pay the taxes and any expenses which correspond to the new items to that state.

The rents and the price of the purchase are exempted from income tax and VAT while the rents that are paid to leasing companies are considered to be operating expenses and they are deducted from the gross income of the renter.

The leasing companies can depreciate the rented properties which are equal to these depreciations which could be calculated by the renter if he purchased them as new items.

Tax discounts for the equipment used with leasing contracts can be found in the law NI262/98 and in the Developmental Laws 1892/1990, 2601/1998 and 3219/2004 under the term of duration of leasing contract from 10 years and more and when the ownership will be transferred to the renter after the expiry of the contract.

The lending contracts from banks of leasing companies and the leasing contact among these companies and the foreign supplier of them are exempted from any tax or charge.

Leasing companies are allowed to have a special reserve for the coverage of bad debts from the income. This rate amounts to 2% of the uncollected payments at the end of the year of rents.

4.3 standards & terms of leasing

Any enterprise has the right for leasing independently from its legal form or its activity. The leasing company will ask for evidence about the financial and enterprising condition and the equipment which is to be acquired. This means that the financial evidence from the last three years and copies of income tax statements are going to be asked too. The annual profits and the income should be able to cover the rent.

For the purchase of the equipment of an established company the following are necessary:

- Budget revenue and expenditure
- Study for the sustainability of the enterprise
- Various evidence for the equipment

Also, there are terms which have to do with the participation and duration. The participation of the investor is not usually necessary and the leasing company undertakes financing at a percentage of 100%. In some cases, the participation of the investor amounts to 10% or 20%. According to the law, the duration of the contract is not less than three years and more specifically, it is from three to five years for mobile equipment and ten years for estate property.

The terms are the following:

- Under what circumstances, what are the circumstances for each part can the contract be terminated before the expiry date of the pre-determined period of time.
- Under what circumstances can the equipment be purchased by the enterprise before the passage of the period of three years
- Under what circumstances can the rights and the duties be transferred to third parts before the expiry of the contract.

CHAPTER 5: ADVANTAGES & DISADVANTAGES OF LEASING

5.1 ADNANTAGES TO LEASING FOR THE RENTER

The use of leasing provides the investor with a number of important advantages which are the following:

- The main advantage is the tax benefit as leasing is considered to be an operational expense of the enterprise and as a result, the rent is fully deducted from the expenses of the renter. It is also known that the legal ownership is adopted by Greek legislation for accounting and tax purposes.
- In the case of leasing, the main part of the investment is the lessor until the moment of payout while in the case of bank loan , the interests are considered to be expenses since the capital is provided from the beginning.
- Another special advantage of leasing is the fact that leasing allows full financing of the investment (up to 100%). Adversely, it is known that bank loans can cover only one part of it.
- The procedure of leasing is faster and less expensive than the procedure of long term borrowing. Underwritings, mortgages etc are not usually necessary and the notary fees are less with extra taxes or charges.
- The investor can have better terms of equipment supply or property as they are paid in cash.

- Flexibility is another advantage of leasing. All are negotiable and adjustable to the needs of any enterprise (monthly payments are not necessary).
- The rent can be used in the costing and can be included in the budget contributing to the financial control.
- Leasing procedure can be combined to the benefits of the Developmental Law if there are necessary standards.
- After the expiry of the rent period, the investor takes on the ownership of the item. The property is exempted from the transfer tax
- The investor can renew the equipment without blocking available funds.
- The enterprise can improve its creditworthiness without charging the balance sheet.
- As the procedural expenses are financed trough unbinding, there is an improvement on the liquidity of the enterprise.
- The leasing company can be included in Developmental Programs of E.U.
- For the bank institutions, leasing is a technique so as to attract more clients and it is a opportunity for further profit as they gain the ability to negotiate with the suppliers of the equipment and finally, they provide insurance companies with more clients.
- Leasing companies are secured from the risk of bankruptcy of the renter as they keep the ownership of the equipment and indulge in tax benefits (depreciations, non-taxable reserve).

5.2 The Disadvantages of Leasing to the Renter

However, the use of leasing has some disadvantages as well :

- The cost of leasing is higher than this of bank borrowing. But the tax exemptions create a beneficial situation.
- The benefit from the tax exemptions of the depreciations in the case of private equipment is not emphasized. This benefit is counterbalanced by the full tax exemption of the rent.
- Despite the positive relation between the equity capital and the borrowed capital, doubts can be expressed by the banks to fund an enterprise when the equipment of it is based on the method leasing.
- The renter has to do with the risk of unforeseeable circumstances or force majeure and runs the risk of recalling the contact if a term is defaulted. In this case, the lessor can withdraw the equipment and he can demand for direct payment of all rents up to the expiry of the contract.
- The renter is controlled by the lessor who wants to check the good operating condition of the equipment.

CHAPTER 6: ACCOUNTING OF LEASING

The main problem of leasing for the lessor is the distribution of income (rents)within the period of the rent.

For the renter, the main problem is the existence of his duties which stem from the rent of fixed items in the balance sheet.

6.1 Leasing Company

The internationally accepted method of accounting representation is:

- Financing method
- Operating method

According to the financing method, the net value of the rented items does not appear in the balance sheet but the total of the paid rents.

This means that the income from the rents appeared in each period of time does not correspond to the payments of each specific period but they exhibit a decreasing tendency which is related to the impairment of the value of the fixed item.

On the other hand, in the operating method the sum of each period corresponds to the rents paid. This method follows the principles of traditional accounting showing the net value of the items.

The basic criterion for the choice of the correct method is the possibility for the best representation of the income of the lessor in the period of the rent.

6.1.1 Financing Method

1. Fees to rent: (total rent minus rents already received).
2. 2. Net residual value (the estimated commercial value of the asset at the end of the lease).
3. 3. profits Prediction: (the difference between the total lease payments and the acquisition of leased assets value).
4. Provision for taxes (payable taxes).
5. Advances of lease (if the lease surgery provides for certain the amount displayed in this account).
6. 6. Difference of the tax (the estimated tax liability arising from the difference of income).
7. Income hire: (revenues from the lease, which correspond to the specific use).
8. Profits (losses) on disposal of leased property:
9. (calculation: rents receivable plus residual minus uncollected rents minus revenues from the sale of assets).
10. Provision for loss (provision for depreciation of assets)
11. Provision for taxes (the estimated income tax on net profits to be distributed).

6.1.2 Operating Method

The main features of operating leasing is the appearance of the net value (after depreciation) of leased assets as assets and those actually received in the income statement.

6.2 The Renter and his Duties

The renter has to face two issues:

1. Whether the lease of assets will be reported in a footnote to the balance sheet or the value of the asset will appear as assets and all outstanding leases as liabilities.

2. The allocation of the total rent for each year and the cost of income with the corresponding amount.

The leased asset appears in the balance sheet of the renter if one or more of the following conditions:

- The leasing contract predicts for the transfer of the ownership to the renter at the end of the rental period.
- The leasing contract includes a clause whereby the renter has the option to purchase the asset at the end of the lease period at a price substantially lower than expected market value of the asset at the time.
- The lease period covers 75% or more of the estimated economic life of the asset.
- The present value at the beginning of the lease, the lease payments exceed 90% of the acquisition value of the leased asset.

The leased asset is usually shown in the balance sheet of the lessor in the market value (FAIR MARKET VALUE)

As for the appearance of lease payments in the lessee's accounts, the usual practice is to be charged to results of each fiscal year the rents actually paid corresponding to such use.

CHAPTER 7: How the Crisis Affects the Market Of Leasing

A sharp drop was recorded in the growth in the leasing market in 2013 , as the value of new contracts fell by 60.1%. The total turnover of old contracts (remaining capital) fell to 7.8 billion euro contrary to 8.3 billion euro in 2012.

The situation has led the total value of new contracts to less than 2000, when there still was not authorized real estate financing with leasing; an event that catapulted the market.

Last year was the first year since the properties, making new business volume of EUR 216.6 million. EUR lost first, which took the mobile equipment contracts including commercial vehicles with a value of 259 million euro. Specifically, of these funds contracts related equipment amounted to 206.6 million Euros and the remaining 52.4 relating to contracts for leasing commercial vehicles.

As noted by industry executives in 2012 was the year that the appearance was not the signing of new contracts, but the collection of rents and protecting the existing portfolio.
Thus the value of the remaining portfolio at December 31, 2011 amounted to 7.8 billion Euro 8.3 billion Euros was at the end of 2010 exhibiting a decrease of 18.5%.

Specifically, the value of existing contracts for real estate was 6.2 bn. EUR at the end of 2011 compared with 6.4 billion euro at the end of 2013, showing a change of 3.3%. The funds from existing contracts for all kinds of equipment fell by 18.5%, configurable 1.6 billion Euros.

According to the duration of the contracts signed last year, the contracts with duration exceeding 10 years were pioneered. The contracts of 4-5 years followed and the last three-year contracts.

Conclusions

Leasing focuses on a contract leasing company (lessor) and a company or a self-employed (renter) to acquire movable property or business equipment, or even business premises. Leasing was established in Greece (with the N.1665 / 1986), as a modern method of long term financing businesses and professionals to acquire fixed assets (equipment, buildings) for professional use.

In leasing, the renter for a certain period, from paying regularly the fixed benefit to the leasing company with the payment amount, determined by agreement (lease).

When you paid the fee, the tenant has the option (Option) for:
- The final acquisition of the thing by the renter known to the commencement of the contract price.
- The extension of the rental with new contract
- The non-renewal and return of the item

The emergence of the institution of Leasing results in the development of national economy:
- The industry
- The development of singular income
- To improve the balance of payments
- Increasing employment

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