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**FEATURES OF FINANCIAL LEASING AS A TYPE OF
INVESTMENT ACTIVITIES**

**ОСОБЕННОСТИ ФИНАНСОВОГО ЛИЗИНГА КАК
ВИДА ИНВЕСТИЦИОННОЙ ДЕЯТЕЛЬНОСТИ**

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Abstract. This article considers such a concept as leasing, financial leasing in particular, its difference from rent and credit. Key information about some of its components is provided, such as the definitions of lessor and lessee, their key takeaways. The article highlights the features of financial leasing as a type of investment activity.

Аннотация. В данной статье рассматривается сущность понятия «лизинг», в частности «финансовый лизинг», отличие его от аренды и кредита, выделяя преимущества и недостатки одних перед другими, даются ключевые сведения о некоторых его составляющих, таких как лизингодатель и лизингополучатель, их отличия и важнейшие функции, выделяются особенности финансового лизинга как вида инвестиционной деятельности.

Now almost all organizations are in the conditions of a lack of money. And, despite the need to modernize production, they, largely, do not have the means to update them. In this case, financial leasing comes to the rescue, which allows getting the opportunity to modernize production lines at the expense of future income, without worsening its financial situation. In addition to all of the above, favorable taxation and freedom of contractual relations between leasing entities make it even more attractive [2].

There is no single and precise interpretation of the concept of "leasing", since a huge number of economists, considering it from different angles, give different formulations. Some consider leasing in different ways of lending activities, others do not see any difference with lending. However, it is still possible to formulate this concept as follows.

Leasing is an operation in which the lessor, at the direction of the lessee, buys equipment, property to be leased to the lessee. A lessor is essentially someone who grants a lease to someone else. As such, a lessor is the owner of an asset that is leased

under an agreement to a lessee. The lessee makes a one-time payment or a series of periodic payments to the lessor in return for the use of the asset.

Key takeaways:

- A lessor is the owner of an asset that is leased, or rented, to another party, known as the lessee.
- Lessors and lessees enter into a binding contract, known as the lease agreement, that spells out the terms of their arrangement.
- While any sort of property can be leased, the practice is most commonly associated with residential or commercial real estate – a home or office.

Although some economists identify leasing as a kind of lease and in many documents leasing is identified with one of its types, we must say that the possibilities and functions of leasing are much broader.

One of the main differences between leasing and lease is that equipment or property, specially acquired by the lessor for him at his request, is leased to the lessee for use. However, it must be said that this property is owned by the lessor throughout the entire term of the contract.

When renting for the acquisition of property, an additional purchase and sale agreement is concluded. In a leasing relationship, immediately in the initial contract, ownership rights are already spelled out after the expiration of the lease.

Thus, leasing can be considered a modified form; there are not many differences between them.

It is also worth representing leasing, in terms of its content, is similar to a loan. Credit – a loan provided by its owner (lender) to the borrower on terms of repayment and for a fee in the form of a certain percentage for the use of money capital.

So, what are the similarities and differences between leasing and credit?

Let's start with differences (advantages) of leasing:

- For financing organizations – the possibility of expanding the segmentation market, on which financial activities are carried out, allows to solve the problem of temporary settling of funds and the need to use them in circulation
- The ability to quickly attract the required assets in cases where it is not possible to obtain a loan. The basic principles of credit relations are implemented – urgency, payment, repayment
- Under the terms of the lease agreement, the object is transferred to the lessee only on the basis of the rights of use, when the owner of the leased property is the lessor [1, p. 5], which receives periodic lease payments made by the lessee for the right to use its owner for the aggregate period, after which, in addition to his principal amount, he also receives remuneration
- When leasing in the early years, the rent payments are less than the amounts usually paid to repay the loan (this difference can be used for other good purposes)
- 100 % of the leased property is financed – the buyer does not need to look for funds to pay off part of the cost of the goods

Now our conversation goes to the similarities:

- Allows you to solve the problem of temporary settling of funds and the need for their use in circulation
- The basic principles of credit relations are implemented – urgency, payment, repayment
- The owner of the capital provides it for a certain period, after which, in addition to their principal amount, they also receive remuneration.

Financial leasing is a complex set of contractual relations carried out on the basis of purchase and sale and property lease agreements. The sale and purchase agreement assigns to the lessor the obligation to acquire ownership of the equipment for the next lease to the lessee in accordance with the property lease (leasing) agreement.

You can have the following distinctive features of financial leasing:

- the lessee has the right to choose both the item of purchase and its seller;
- the property is purchased for some purposes with prior notice to the seller;
- claims for quality, equipment, etc. during the warranty period, the lessee presents the property to the seller;
- service maintenance and insurance of the leased object are the obligations of the lessee;
- the lessor retains the ownership of the property, and its use cedes to the lessee.

[4]

Both for the lessor and the lessee, the goals of leasing are similar to the goals of the investment process: in leasing, free financial resources are invested in physical assets – fixed capital.

That is, we can say that if, when concluding a loan, there is a process of redistribution of ownership of the already necessary financial resources among themselves, then leasing allows purposefully creating new assets in the real sector of the economy: the lessee and the lessor enter into a relationship with respect to capital, but not in monetary, but in a productive form, acquiring some property.

Leasing activity is one of the types of investment activity for the acquisition of property and its transfer to lease, where leasing means a set of legal and economic relations arising in connection with the implementation of a lease agreement.

A leasing transaction consists of the following stages:

1. The lessor enters into a contract with the supplier.
2. When required, the lessor concludes receives a loan from the bank.
3. The lessee and the lessor enter into a lease agreement.

In all leasing relationships, the lessor acquires the required objects with only one purpose – their subsequent lease. In addition, the object of leasing relations for the lessor cannot be a product of its own production, since the lessor, being an intermediary between the manufacturer and the consumer, in no case has the right to combine these functions.

Thus, it can be stated that leasing, being a universal and flexible tool that allows you to implement investment schemes, for the most part meets the tasks of updating

production and developing the real sector, the interests of business entities and the needs of the market.

The use of leasing not only makes it possible to expand the possibilities of the subjects of the financial capital market, to put into operation new equipment, but, in the end, also enables the industry to offer consumers a greater number of goods and services. Moreover, it should be noted that leasing in the service sector contributes to an increase in the general standard of living of the population. At the micro level, the leasing decision depends on the profitability of specific projects and the associated cash flows. That is why the issues of using leasing schemes are often considered in the context of investment management.

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