

General Terms & Conditions

Auto Lease Products

1444H/2022

- 1) The product being offered by Saudi Fransi for Finance Leasing is a “lease to own” product or in simple terms financial lease.
- 2) The Vehicle will remain under the ownership of Saudi Fransi for Finance Leasing till the contract is fully paid off
- 3) The contract value comprises of the amount of Asset/Vehicle, down payments if applicable, insurance and the profit for the entire lease period. And paid in monthly installments and Balloon payment at the maturity date if any.
- 4) The Vehicle shall be transferred to the lessee once the contract is fully paid off and the ownership transfer procedures have been completed
- 5) It the lessee responsibility to make sure all the requirements related to transfer of Vehicle are complete a formal request for transfer of ownership has been initiated within 15 days from full payment of lease contract.
- 6) The vehicle shall be repossessed by the lessor in the following scenarios
 - The lessee has delayed in completing the transfer ownership procedures beyond the allowed grace period
 - The lessee has defaulted in the payments of lease rentals
- 7) Saudi Fransi for Finance Leasing reserves right to levy charges or continue to charge daily rental from the lessee for not transferring ownership within 30 days. The lessee is obligated to compensate for each day of delay in returning the leased vehicle by paying the value of the daily rent of the leased vehicle in accordance with this contract using the following equation: $((\text{value of the last lease installment due} / \text{number of days of the month in which the contract was terminated}) * \text{number of days of delay}) = \text{value of the rent}$
- 8) The lessee may assign the vehicle or transfer any of its rights and obligations arising from it to any party after obtaining the written consent of the lessor and fulfilling all the requirements of the Saudi Fransi for Finance Leasing.
- 9) The lessee must pay the Balloon Payment in full when due or implement one of the following options within 30 days:
 - a) Reschedule the balloon payment amount for up to 2 years (at additional profit, insurance and management fee will be applicable (1% or SAR 5000 whichever less)
 - b) Return the Vehicle to Saudi Fransi for Finance Leasing. Saudi Fransi for Finance Leasing evaluates the vehicle by the competent appraisal authorities and sells the vehicle, and the lessee bears the difference in loss resulting from the selling price of the vehicle and the amount of early ownership.

- 10) The (non-Saudi) lessee, upon learning of the termination of his/ her work contract and before leaving to travel permanently from the Kingdom of Saudi Arabia, is obligated to pay all the account settlement amount according to the aforementioned article. The lessor has the right, at his/ her discretion, to take all possible measures to preserve his/ her rights, including preventing the lessee from traveling and pursuing him judicially with the authorities. competent, whether inside the Kingdom of Saudi Arabia or in any country in the event that he/ she fails to do so.
- 11) Lessee can buy the Vehicle and transfer ownership to their name even before maturity of contract, by early settlement of the contract and complying with all transfer of ownership related requirements.
- 12) It is lessee responsibility to pay all the dues as per the contract on time otherwise Saudi Fransi for Finance Leasing has the right to report the same to Saudi Credit Bureau (SIMAH)
- 13) If the lessee fails to pay 3 payments on row or late for 5 payments or the balloon payment beyond 30 days and does not pay despite repeated reminders, Saudi Fransi for Finance Leasing reserves the right to repossess the Vehicle and take the necessary legal actions.
- 14) Saudi Fransi for Finance Leasing reserves the right to demand any information or document from the lessee which is deemed important from Saudi Fransi for Finance Leasing financial or regulatory point of view.
- 15) Saudi Fransi for Finance Leasing reserves the right to check the credit history and score of lessees through the Saudi Arabian Credit Bureau (SIMAH) from time to time.
- 16) Comprehensive insurance is provided to the vehicle throughout the validity period of the contract, and the lessee is obligated to pay the incurring value that the insurance company bears on the lessor. The lessee bears the loss resulting from the destruction of the vehicle if the total lost was intentional or negligent.
- 17) Saudi Fransi for Finance Leasing reserves the right to ask the lessee to fully settle lease outstanding amount at any point in time within the tenor of the leasing contract. Else bank reserves the right to repossess the Vehicle and liquidate it to settle any outstanding amounts.
- 18) It is under lessee responsibility to maintain and keep the Vehicle always in a good working condition. All periodic maintenance and repair should be conducted as per the schedule provided by the manufacturer or authorized dealer. Any liability arising due to not compliance with service and maintenance requirements will be borne by the lessee without any responsibility of Saudi Fransi for Finance Leasing.
- 19) The lessee is not allowed to authorize any other individual to use the Vehicle unless an Electronic authorization has been obtained from Saudi Fransi for Finance Leasing.

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- 20) Lessee accepts the full responsibility financially and legally for any consequences which arise due to allowance of the Vehicle to be driven by any unauthorized and /or underage individual. Any claims thereof, including but not limited to insurance cost, repair charges, third party insurance charges or any governmental penalties etc. will be the sole responsibility of the lessee and will have to be paid by the lessee till such charges are not completely cleared.
- 21) All traffic fines, government charges for non-renewal of driving license or vehicle registration must be borne by the lessee.
- 22) Saudi Fransi for Finance Leasing is entitled to charge 1% or 5,000 whichever is lower as processing charges on the finance amount.
- 23) If the lessee requested any value-added service from Saudi Fransi for Finance Leasing, the latter is entitled to charge any value-added service opted by lessee. The lessee can view the service fees through the Saudi Fransi for Finance Leasing website
<https://www.fransileasing.com/Library/Assets/Gallery/Documents/Schedule%20of%20Charges.pdf>
- 24) In the event of total loss, the lessee is responsible to pay the difference between the outstanding finance and insurance claim depending on the lessee's responsibility of the accident as per the total loss calculation guidelines from Central Bank (SAMA).
- 25) The lessee understands and take full responsibility to ensure that they can manage all existing and future financial commitments prior to taking further financing – failure to do so will result in a negative SIMAH score and difficulty availing finance products.
- 26) The Saudi Fransi for Finance Leasing has the right to cancel the contract for the customer without his consent in the event the insurance pricing expires before vehicle delivery.
- 27) VAT will be applied to all leased vehicles and financing services of 15% according to the regulations of Zakat, Tax and Customs Authority (ZATCA).