



HM Revenue
& Customs

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Date 29 July 2016
Case Ref CFS-9[REDACTED]
VAT number [REDACTED]
Your Ref CTA/JK/[REDACTED]

Dear Sir or Madam

Thank you for your correspondence dated 17 June 2016 concerning the input VAT claim for your client [REDACTED] Ltd. I have been asked to look at this case.

I have reviewed the evidence and the information you have provided for this claim of the purchase of the PDA units under a Hire Purchase contract.

My decision is the claim should be allowed because when there is an "option to purchase" built into a contract this is deemed to be a supply of goods from the outset. As your client's purchase was a hire purchase agreement this supply was the transfer of possession with an intention to transfer title at a future date and is a supply of goods.

The calculations of the VAT check on your client have been amended and the revised figures are shown overleaf:

