

VAT recovery for hire purchase and asset finance businesses

The Editors understand that a bank has appealed HMRC's rejection of a proposed partial exemption method similar to that recently considered by the Court of Session in the Royal Bank of Scotland (Lombard) case. In that case, the taxpayer's transaction count '50%' method for a hire purchase business was accepted by the Tribunal but rejected by the Court of Session. Potentially affected businesses should review their position in the light of this development.

Refer to 2008 document archive for full analysis of the RBS decision.