



TC04319

Appeal number: TC/2012/10560

**FIRST-TIER TRIBUNAL
TAX CHAMBER**

VAT — liability to register – ticket sales - whether acting as principal or agent for VAT purposes – ticket costs as disbursement – HMRC guidelines - common law indicia – HELD - Acting as principal-full value of supplies made included as taxable supplies – indicia not of equal weight – lack of evidence that not profiting as agent–lack of documentation–disbursement rules not applicable- appeal dismissed.

MR RONALD ASQUITH

Appellant

- and -

**THE COMMISSIONERS FOR HER MAJESTY'S Respondents
REVENUE & CUSTOMS**

**TRIBUNAL: JUDGE RACHEL SHORT
 MR MICHAEL SHARP**

**Sitting in public at Fox Court 14 Gray's Inn Road, London WC1B 3DN on 1
December 2014**

**Mr Asquith the Appellant in person and Mr Geeraerts, accountant of SBC
Accountants Limited**

**Ms J Chancellor instructed by the General Counsel and Solicitor to HM Revenue
and Customs for the Respondents**

DECISION

1. This is an appeal against a liability to be registered for VAT from December 1999 under Schedule 1 paragraph 1(1) and 5(1) Value Added Tax Act 1994 (“VATA 1994”). HMRC wrote to the Appellant, Mr Asquith on 24 September 2012 and notified him that they believed his taxable supplies had exceeded the registration threshold for each year from December 1999 on the basis that the supplies he made as an unauthorised provider of tickets were taxable supplies. That decision was confirmed in a review letter of 8 November 2012. Mr Asquith appealed against that decision on 20 November 2012.

Background Facts

2. The Appellant, Mr Asquith, has been involved in the ticket sales business for the last 12 or 13 years. He sources tickets for sporting, musical and theatrical events some of which are otherwise difficult to get. His clients are both individuals and companies and he also deals with concierges from some hotels. His business is based mainly in London with some clients in Birmingham and Manchester.

3. Mr Asquith sources most of his clients from personal recommendations and does most of his business by phone or in face to face meetings. Payments are made by cash or cheque. He does not have a credit card payment facility. He obtains the tickets which he sells from brokers, the event venues and from other secondary sources such as Ticketmaster.

4. All of his transactions are UK to UK supplies of services; Mr Asquith does not make any supplies to or from customers outside the UK.

5. This appeal concerns Mr Asquith’s liability to be registered for VAT for the relevant periods, not the VAT assessments or penalties for those periods.

Law

The relevant legislation is set out at Schedule 1, paragraph 1(1) and 5 (1) VATA 1994 (liability to be registered for VAT) and s 47 VATA 1994 (Agents).

S 47 **Agents etc**

(1) *Where-*

(a) *goods are acquired from another member State by a person who is not a taxable person and a taxable person acts in relation to the acquisition, and then supplies the goods as agent for the person by whom they are so acquired; or*

(b) *goods are imported from a place outside the member States by a taxable person who supplied them as agent for a person who is not a taxable person,*

then , if the taxable person acts in relation to the supply in his own name, the goods shall be treated for the purposes of this Act as acquired and supplied or, as the case may be, imported and supplied by the taxable person as principal.

(2)

(2A) *Where, in the case of any supply of goods to which subsection (1) above does not apply, goods are supplied through an agent who acts in his own name, the supply shall be treated both as a supply to the agent and as a supply by the agent.*

5 (3) *Where services are supplied through an agent who acts in his own name the Commissioners may, if they think fit, treat the supply both as a supply to the agent and a supply by the agent.*

The Evidence.

Mr Asquith

10 6. Mr Asquith described his business a sourcing tickets for people who wanted them. When a client called him, he would go to the source venue or Ticketmaster to get tickets. He never quoted “ball park” figures for tickets before he bought them. He obtained his customers by word of mouth, starting through friends and through hotel concierges. To obtain the tickets he sometimes queued up at venues in person or
15 bought them by phone. He never bought tickets in bulk; he only ever bought to demand and never bought extra tickets. All of his purchases were made to order. He based his commission on his time and travel costs, amounting to about 10-15% of the price of the ticket plus travel costs. When he spoke to clients he did not make it clear how much of the price they were paying was his commission, but his clients
20 understood that they were paying a premium for his time and effort. He did give information about his commission charges to the concierges he dealt with. Concierges would call him, ask for tickets, he would then see if he could find the tickets and call them back to quote a price, they would then say whether or not they wanted the tickets. If there was a problem with an event, such as a singer being ill, he
25 would offer to refund the ticket price if the venue did not do this.

7. We were provided with a number of example transactions setting out Mr Asquith’s usual pattern of business; if a client wanted tickets for a big London football match, the client would call Mr Asquith and tell him what tickets were required. No payment was made at that stage. Mr Asquith would then attempt to acquire the tickets.
30 He would call back the client and let them know that the tickets were available and the price. Having confirmed that, Mr Asquith would buy the tickets for the client, who would then pay Mr Asquith the face value of the tickets plus Mr Asquith’s travel costs plus a premium for Mr Asquith’s time. Mr Asquith would pick up the tickets himself and deliver them to the client.

35 8. Mr Asquith explained that he did not always provide invoices to his clients for the tickets which he provided. He would provide an invoice only in about 50% of cases. The Tribunal saw some sample invoices provided by Mr Asquith. On those invoices Mr Asquith’s commission for buying the tickets was separately quoted but was not itemised. Mr Asquith did not explain why he provided invoices in some cases
40 but not others.

9. There were rarely problems with the ticket sales. If there were problems clients would go back to Mr Asquith to sort out any problems.

10. Mr Asquith explained that when he bought tickets online, from Ticketmaster for example, he had to buy them in his own name. In other circumstances he would purchase tickets for cash, without obtaining any kind of receipt. He did deal with ticket “brokers” for some popular events but would never buy more tickets than he had orders for. Brokers never came to him looking for tickets and he did not sell to brokers. He would not notify the ticket sellers that he was acting as agent. Customers paid him by cash or cheque, rather than credit card.

Mr Geeraerts

11. Mr Geeraerts is Mr Asquith’s accountant but has also made use of Mr Asquith’s ability to obtain tickets for him in a personal capacity.

12. Mr Geeraerts gave the Tribunal an example of Mr Asquith obtaining tickets for a football match to which he wanted to take his son. He explained that after he had spoken to Mr Asquith, Mr Asquith located the tickets and called him to tell him that he had located them and the price payable. Mr Asquith then confirmed that he would buy the tickets on Mr Geeraerts’ behalf. Mr Geeraerts paid for the tickets and an additional amount for Mr Asquith’s time and effort. Mr Geeraerts was clear that if he had not wanted to pay the price which Mr Asquith quoted for the tickets, he could have refused them.

Ms Chancellor

13. Ms Chancellor is one of Mr Asquith’s clients, she had used him to obtain tickets for herself and for the company she works for. She would call Mr Asquith and tell him what tickets she was looking for, he would then call her back and tell her that the tickets were available and the price. She would then pay the price for the tickets and pass them onto the company to use (for example in competitions as a prize). She had never had to return tickets because they were unwanted. The price which Mr Asquith quoted her was an “all in” price, including his commission. Tickets would be sent to her by post or she would pick them up in person. She received receipts which she provided to her company showing the detail of the tickets and Mr Asquith’s commission and expenses. Ms Chancellor said that Mr Asquith never tried to advertise or sell her tickets other than the ones which she requested. If she had had a problem with the tickets, she would have spoken to Mr Asquith, although this had never happened in practice. If an event was cancelled, she would speak to the venue to arrange a refund or alternative date.

Mr Matthews.

14. Mr Matthews is a friend of Mr Asquith who he uses to buy tickets for events for which he cannot get tickets online. Mr Matthews explained that Mr Asquith quoted him a price for the tickets plus commission; he would pay for the tickets when Mr Asquith had bought them. It was Mr Asquith who paid for the tickets up front. Mr Matthews said that he always paid Mr Asquith in cash and did not receive an invoice. If the price quoted by Mr Asquith for tickets was too expensive, he would refuse to buy the tickets, but he would not negotiate about the price of the ticket until Mr Asquith had told him how much he was going to charge. Mr Asquith never offered him extra tickets or tickets other than the ones he wanted to buy. If there was a problem with the tickets, Mr Matthews would talk to Mr Asquith. If the tickets were

not as good as he was expecting, he, Mr Matthews, would deal with this, since he had agreed to buy the tickets.

Mr Miles

15 15. Mr Miles is an officer of HMRC a part of their “hidden economy” team. Mr Miles provided a written witness statement of 7 June 2013 which was taken as read and provided oral evidence to the Tribunal.

10 16. Mr Miles explained that he had investigated Mr Asquith’s tax position from information obtained in his self-assessment return. In his opinion, Mr Asquith was providing tickets which his clients could not obtain themselves and so could not be acting as an agent. Tickets were bought by Mr Asquith’s clients at more than cost price, which also suggested that Mr Asquith did not fulfil HMRC’s criteria for being an agent. Referring to Public Notice 700 paragraph 25 Mr Miles said that Mr Asquith’s course of dealing did not fulfil all the criteria for his ticket purchase costs to be treated as disbursements;

15 (1) It was not clear that his clients were the end users of the services provided, they could pass the tickets on to someone else,

(2) The client was not obliged to pay for the tickets before they were released and was not responsible for paying the third party provider.

(3) The third party provider was not aware of the identity of the clients.

20 (4) The clients were not aware that that the tickets were provided by a third party (especially if they were passed on to another end user)

(5) Mr Asquith did not separately itemise his outlay.

(6) Mr Asquith did not recover the exact amount paid for the tickets, he added a margin to the price paid for the tickets.

25 (7) Mr Asquith added a commission charge and the transactions were not all shown separately in Mr Asquith’s accounts.

17. On questioning Mr Miles did allow that on the basis of Mr Asquith’s evidence before the Tribunal the tickets were sold by him at the price which he paid for them and he accepted that Mr Miles was authorised to make payments for the tickets on behalf of his clients.

Appellant’s Arguments.

35 18. Mr Asquith argued that he was buying tickets to order for clients, not on his own account. He was acting as an agent for VAT purposes and therefore the price paid by him for the tickets and received from his clients should be excluded from his taxable supplies in determining whether he was liable to be registered for VAT. On that basis his taxable supplies were below the VAT threshold for each of the relevant years.

40 *Acting in an Agency Capacity*

19. Mr Asquith referred us to two tribunal decisions to support his arguments; *Dr R Nader T/A Try Us* (Lon/4927/1990) and *Express Medicare Ltd* (VAT decision 16969). The definition of agency set out in the *Nader* decision is

5 “agency is the relationship which exists between two persons, one of whom expressly or impliedly consents that the other should represent him or act on his behalf, and the other of whom similarly consents to represent the former or so to act”.

20. Mr Asquith stated that he only ever bought tickets as requested by his clients, he never bought tickets speculatively and never gave any price indication before tickets were actually located for a particular client. It would not have been practical for him to go back to clients and get the cash for the tickets from them and then go back and pay the suppliers, it was much more practical for him to pay the sellers himself once the price had been agreed with his clients.

21. Mr Asquith said that he acted in an intermediary capacity only. His accounts showed the cost of tickets purchased separately as “purchases”; that figure should be deducted from his income to arrive at his turn-over for VAT purposes. Mr Asquith said that he obtained customers by word of mouth, did not advertise, did not operate a website and worked from home using a mobile phone. He did not sell to brokers, but only to “retail” customers.

20 *Ticket costs as Disbursements*

22. Mr Asquith claimed that he met the conditions for treating the payments made for the tickets as a disbursement for VAT purposes as set out in VAT Public Notice 700 (“Notice 700”) paragraph 25:

- (1) He acts as an agent for his client when purchasing from a third party
- 25 (2) His clients receive and use the tickets purchased
- (3) His clients pay the third party for the tickets
- (4) His clients authorise him to pay on their behalf
- (5) The clients know that the tickets are supplied by a third party
- 30 (6) There is no itemisation on invoices, but this is an unrealistic expectation
- (7) His clients are charged the same amount which Mr Asquith paid for the tickets, with Mr Asquith’s income being shown as expenses and commission
- (8) The commissions/expenses paid by Mr Asquith are additional to the supply of the tickets.

35 23. As part of Mr Asquith’s written appeal a number of points were raised about the manner in which HMRC handled the appeal and the reasons why information was not provided to HMRC when requested. Mr Asquith’s agent explained that it was not considered necessary to provide the information to HMRC until a final decision was made about the appeal and whether Mr Asquith was liable to be registered for VAT.

40 Mr Asquith’s agent stated that throughout their handling of the appeal HMRC have

 “not used due diligence in conducting the matter; also there have been a considerable lack of communication with other departments within HMRC, by

the fact that throughout the duration of the review and appeals the Appellant and his agent continued to receive letters and demands”.

HMRC’s Arguments

5 24. Using figures from Mr Asquith’s self-assessment returns and in the face of a lack of additional evidence provided by Mr Asquith, HMRC argued that Mr Asquith’s turn-over, including the value of his ticket sales exceeded the VAT threshold for each year from December 1999. Mr Asquith had provided little documentation about his business on which HMRC could estimate his turn-over.

10 *Acting in an agency capacity*

25. HMRC argued that Mr Asquith could not be treated as an agent on the basis of his course of dealing. The cost of his tickets sales and purchases could not be excluded from his turn-over for VAT purposes. He was making a taxable supply of tickets to his clients. HMRC relied in particular on the criteria for distinguishing
15 between an agent and a principal in Notice 700 para 22 and their own internal guidance at VTAXPER36000 suggesting that Mr Asquith failed most of the criteria for being treated as an agent for VAT purposes.

26. The criteria set out at Notice 700 para 22 are:

20 (1) It must be clearly established between the agent and principle that transactions are being arranged for the principal rather than on the agent’s own account.

(2) The agent will not be the owner of the goods or services sold to the principal

(3) The agent will not alter the nature or value of the supplies made.

In HMRC’s view Mr Asquith’s course of dealing did not fulfil these criteria.

25 27. The criteria set out at VTAXPER3600 are:

(1) Title – *In an agency relationship, title is with the principle:* It is not clear whether Mr Asquith or his clients had title to the tickets.

30 (2) Identity of services – *The goods or services provided by the agent must be clearly identifiable;* the service provided (entry to an event) is specified on the ticket, but Mr Asquith’s supply is of “the means of attending the event for the overall price charged”

35 (3) Value – *The principal must know the exact value of the goods or services which have been bought:* When Mr Asquith provided invoices these did not necessarily reflect the ticket price. In many instances he did not provide an invoice.

40 (4) Separation – *The value of the agent’s service must be separately identifiable and known to the principal:* When Mr Asquith did provide an invoice the value of his services were separately stated, but there was nothing to stop him inflating the ticket price. In other circumstances the client would not have been able to clearly identify the value of Mr Asquith’s service.

(5) No change – *The main supply between buyer and the seller cannot be altered by the agent*: There is no change in the supply of services made, being entitlement to enter the event to which the ticket relates, but the supply is made by Mr Asquith.

5 (6) Nature and Value – *The Agent cannot alter the value of the supplies which they arrange*: Mr Asquith does not change the nature of the supplies to the customer, but there is no proof for the customer that the tickets were obtained at the price charged to them by Mr Asquith.

10 28. Notice 700 paragraph 22 also stresses that in determining whether an agent acts in his own name, it is the issue of an invoice which is the critical determining factor; if an agent issues an invoice in his own name, he will be treated for these purposes as acting in a principal capacity.

15 29. HMRC stressed that Mr Asquith was doing something for his clients which they could not do for themselves and therefore he could not be treated as a mere undisclosed agent. His clients paid more than the cost price of the tickets to Mr Asquith and tickets could be passed on to a third party.

20 30. HMRC suggested that Mr Asquith actually quoted a ball park figure to clients before obtaining the actual price for the tickets which he sold, which Mr Asquith would have known as a result of his experience in the market. Mr Asquith's ticket purchases were part of a "total package" of supplies, all of which should be subject to VAT. Mr Asquith did not provide invoices for his services to half of his customers and all purchases were made by him with an undisclosed principal. Complaints from clients went back to Mr Asquith not the source of the tickets. All of this suggested that Mr Asquith was acting in a principal capacity.

25 *Ticket costs as Disbursements*

31. As a secondary argument, even if Mr Asquith could be treated as what HMRC described as an undisclosed agent, the costs of his ticket purchases were not "disbursements" which should be deductible for VAT purposes, by reference to HMRC's guidance about what qualifies as a deductible disbursement.

30 32. The criteria for expenditure to be treated as a disbursement are set out at Notice 700 para 25 and Mr Asquith did not meet all of the criteria:

(1) A person acts as agent; *Mr Asquith had not demonstrated that he was acting in an agency capacity.*

35 (2) The client is responsible for paying the third party; *It was Mr Asquith who paid for the tickets.*

(3) The agent is authorised by the client to pay on the client's behalf; *Mr Asquith was making payment on his own behalf.*

(4) The agent's outlay is separately itemised. *Mr Asquith did not always separately itemise his outlay.*

40 (5) The amount recovered from the client is exactly the amount paid to the third party. *On the basis of the oral evidence provided to the Tribunal HMRC accepted that Mr Asquith charged his clients what he had paid for the tickets but Mr Asquith had not provided any evidence to substantiate this.*

33. HMRC also referred to a number of other, separate arguments which Mr Asquith had previously presented to HMRC to support the fact that he should not be VAT registered, suggesting that this agency argument was the latest in the line of attempts to avoid registration.

5 Decision

34. The onus of proof is on the Appellant to demonstrate that he is acting in an agency capacity and is not therefore liable to be registered for VAT and that HMRC's estimated turn-over figures for each of the relevant years should not be respected.

10 35. Recent cases in this area have stressed the importance of considering the contractual documents between the parties to determine their legal relationships. It was unfortunate that Mr Asquith could provide so little by way of legal documentation to support his contentions about the way in which he acted for his clients. (see *Revenue & Customs v Secret Hotels 2 LTD* [2014] UKSC 16).

15 36. The EU law on agency is based on Roman law concepts including that of an undisclosed agent, being an agent who acts in their own name and who is treated for VAT purposes as making supplies in their own name. This is applied in respect of EU based supplies of goods in accordance with s 47(2A) VATA 1994, but does not apply, unless a registered person chooses that it should, to UK domestic only supplies of services, as set out in Notice 700 at paragraph 24.1. The parties did not address this
20 point but we have assumed that the UK common law on agency is relevant in respect of these supplies.

Findings of Fact

25 37. We have found as a fact that Mr Asquith did only ever buy tickets to order for his clients and his operation was not that of a "ticket broker". Nevertheless when Mr Asquith acquired tickets this was done in his own name.

30 38. We have found as a fact that in at least half of Mr Asquith's ticket sales customers would not have been quoted a separate price on an invoice for Mr Asquith's "commission" but that if tickets had their face value stated on them, customers would in fact have been aware of Mr Asquith's mark up once the tickets were passed over to them.

35 39. We have found as a fact that Mr Asquith took the financial risk of the customer not paying for the tickets. Nevertheless the manner of Mr Asquith's dealing meant that it was a remote risk that he would ever suffer any financial loss as a result of paying on behalf of his clients.

40 40. We also find as a fact that if a client had issues with the ticket purchased, they would treat Mr Asquith as their supplier rather than the entity from which Mr Asquith had bought the tickets.

Indicia of Agency

40 41. Starting with the criteria applied by HMRC by reference to both Notice 700 and their own internal guidance; (i) there was no clear documentary evidence setting out

the intended relationship between Mr Asquith and his clients, (ii) Mr Asquith did have title to the tickets when he bought them but (iii) he did not alter the nature of the supplies made, he merely handed over the tickets to his clients, although not necessarily at their face value.

5 By reference to HMRC's own internal guidelines:

(1) *Title*: As above, Mr Asquith did deal in his own name, he had title to the tickets, suggesting that he was acting as a principal.

10 (2) *Identity of services and value*: Mr Asquith did not always provide invoices setting out the commission which customers were being charged. In other circumstances the evidence suggested that the value of what he was buying for his clients was not always made clear to them, although the face value as stated on the tickets would have been clear when the tickets were handed over. This also suggests that Mr Asquith was acting as a principal.

15 (3) *Separation*: The value of Mr Asquith's services was not always clearly separated from the price which the clients paid for the tickets. Equally, if there was a problem with the services provided, clients would complain to Mr Asquith, not the original seller of the tickets. Mr Asquith's clients would not usually have had any direct dealings with the third party ticket sellers, suggesting that Mr Asquith was acting in a principal capacity.

20 (4) *No change, nature and value*; There was no change in the nature of the services provided as between Mr Asquith and his clients, he merely passed over the tickets which had been requested, but the price which was paid for the tickets was more than their face value and included Mr Asquith's "commission". This suggests that Mr Asquith was acting in a principal capacity.

25 42. Assuming that each of these criteria has equal weight, applying these criteria would suggest that Mr Asquith is acting as a principal not an agent.

UK Common law on agency.

30 43. In applying their criteria HMRC assumed that each had equal weight. Commentators on the UK law of agency make clear that while the distinction between dealing as agent or principal can be difficult to pin down, there are a number of factors which weigh relatively heavily one way or the other and we have also taken account of this in our conclusions.

35 44. A fundamental question is whether the "intermediary" to use a neutral word, is in the deal to make money for himself to the disadvantage of his "principal", whether he takes an undisclosed profit from the deal. If it is the agent who fixes the price of the goods, that is inconsistent with an agency relationship. Many of HMRC's arguments about why they considered that Mr Asquith should not be treated as an agent centred on this issue.

40 45. The onus is on Mr Asquith to demonstrate that he was not making an undisclosed profit from these ticket sales. The evidence which we saw on this point was not conclusive; we saw only a small sample of invoices and the witness evidence on this point was not clear. The invoices which we saw were brief, handwritten documents in a basic, standardised format. They were not of a standard we would expect of a normal commercial business.

46. On this point we have therefore concluded that Mr Asquith has not demonstrated that he was not making a profit by inflating the price of the tickets which he obtained and that on this basis he should be treated as acting in a principal capacity not as an agent.

5 47. HMRC also argued that Mr Asquith could not be an agent because he was
undertaking activities which could not be undertaken by his principals. Our view is
that it is not necessarily inimical to an agency relationship that an agent utilises skills
which a principle does not have in carrying out the appointed task. In this instance Mr
Asquith bought to the commercial deal his willingness to spend time in sourcing
10 tickets and his knowledge of the ticket suppliers. His clients were prepared to pay a
premium to Mr Asquith for his expertise in sourcing tickets. We do not therefore
consider that this is a strong indicator that Mr Asquith was acting in a principal
capacity.

15 48. Mr Asquith argued that he took title to the tickets only as a matter of
convenience, that he only bought tickets to order and did not buy tickets other than the
ones which had been specifically requested by clients. We accept that in practice Mr
Asquith was not taking significant financial risk in buying the tickets in his own name
and was not buying tickets on a speculative basis, but we do not think that this in itself
is enough to suggest that Mr Asquith was acting merely as an agent, if in fact he was
20 entering into the transactions in his own name and was able to make a profit on these
transactions by setting the price which he charged his clients for the tickets.

25 49. Therefore relying on HMRC's own criteria and by reference to UK common
law concepts of agency our conclusion is that Mr Asquith has not provided sufficient
evidence that he was acting in an agency capacity in sourcing and selling tickets to his
clients.

Ticket Costs as disbursements.

30 50. Mr Asquith also argued that the cost of the tickets should be treated as a
disbursement. HMRC suggested as a secondary argument that, even if Mr Asquith
could be treated as an undisclosed agent (to use their terms), the costs which he
expended for his ticket purchases were not deductible "disbursements".

35 51. We have found this argument difficult to apply to these particular circumstances,
the concept of a disbursement being generally an expense incurred by someone acting
in an agency capacity on behalf of a principal as a cost which is subordinate to the
main service to be provided, not as here, representing the cost of the main service
itself. See Notice 700; "*You may be able to treat them as disbursements for VAT
purposes and exclude these amounts when you calculate any VAT due on your **main**
supply to your client*".

40 52. Secondly, it is only possible to treat a payment as a disbursement if it is
accepted that the payor, Mr Asquith, is acting in an agency capacity. Having
concluded that Mr Asquith is acting not acting in an agency capacity, we do not think
it possible to argue as an alternative that the cost of that service could be treated as a
"disbursement".

53. For all of these reasons we have concluded that Mr Asquith should be treated as acting in principal capacity in respect of his ticket sales and for this reason his appeal against his liability to register for VAT in the UK from December 1999 is dismissed.

5 54. Mr Asquith’s written appeal raised a number of issues concerning the manner in which HMRC had dealt with his appeal, their requests for information and correspondence which suggested that their internal communication was not effective. These arguments were not raised at the hearing but in any event the Tribunal’s remit to consider arguments of this nature concerning HMRC’s administration of the tax system is very limited as made clear in recent decision such as *HMRC v Hok Ltd* 10 ([2013] STC 225). Any issue of this kind should be raised through HMRC’s own complaints procedure or in the courts through judicial review proceedings.

This document contains full findings of fact and reasons for the decision. Any party dissatisfied with this decision has a right to apply for permission to appeal against it pursuant to Rule 39 of the Tribunal Procedure (First– tier Tribunal) (Tax Chamber) 15 Rules 2009. The application must be received by this Tribunal not later than 56 days after this decision is sent to that party. The parties are referred to “Guidance to accompany a Decision from the First-tier Tribunal (Tax Chamber)” which accompanies and forms part of this decision notice.

20

**RACHEL SHORT
TRIBUNAL JUDGE**

25

RELEASE DATE: 26 February 2015

