

Zero rated Goods for Disabled

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HMRC had complained that the aircraft had not been 'designed' from scratch for the disabled so could not qualify, given that the legislation does not include adaptation as such. The Upper Tribunal rejected HMRC's premise. A product can be designed for the most part for general use and then undergo design modifications for disabled use without being regarded as not being so designed. It follows that any product that, before sale, is transformed into one that is designed for disabled use, however much generic material the design contains, can be relieved of VAT.


Unfortunately, the First Tier Tribunal had also decided that this applied to an aircraft where the adaptation was made immediately after the sale, whereas the Upper Tribunal took the admittedly more logical stance that the changes must precede sale rather than simply being intended to occur.

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