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End the discrimination: time for Europe to reduce VAT on e-books

With a European Commission expert group currently examining the best ways to tax the digital economy, IPA Secretary General Jens Bammel has called for VAT rates on e-books to be brought into line with physical books.

He was speaking after the publication of an IPA global VAT study, which reveals that the vast majority of European states apply full standard VAT rates to e-books while applying discounted rates to physical books. The anomaly results from EU law, which stipulates that booksellers are required to charge the full rate for e-books. France and Luxembourg recently broke ranks by reducing their e-book VAT rates to 5.5% and 3% respectively, leading to the European Commission initiating court proceedings against them.

Mr Bammel said "the current European approach is a mess. It's inconsistent, technophobic, backward and unfair, and it stands in the way of digital migration. With major markets like Brazil and Mexico making e-books exempt from VAT, Europe is in danger of getting left behind. We need consistent treatment for all book formats, and the most logical way to achieve this is by reducing VAT on e-books."

Notes to Editors

- The new IPA/PWC global survey on VAT rates for books and ebooks is available at: <http://www.internationalpublishers.org/images/stories/news/VAT2013.pdf>
- The International Publishers Association is the international federation of national publishers associations, representing all aspects of book and journal publishing from around the world. IPA is an industry association with a human rights mandate. It fights against censorship and promotes copyright, literacy and freedom to publish, around the world. www.internationalpublishers.org
- For further information, please contact thomson@internationalpublishers.org

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