

VAT relief for electronic publications

What's changed?

In March 2020, the Chancellor announced that VAT would no longer be charged on e-publications. This change was originally intended to take effect on 1 December 2020. In an effort to reduce the costs of remote learning during the Coronavirus pandemic, this change has been brought forward to 1 May 2020.

The following e-publications will no longer be subject to VAT:

- Books
- Booklets
- Brochures
- Pamphlets
- Leaflets
- Newspapers
- Journals and periodicals - including magazines
- Children's picture and painting books

Watch out for the following

- e-publications predominantly devoted to advertising or to audio or video content will not benefit from zero-rating. This would cover sales brochures, audiobooks and news content available on streaming platforms.
- The legislation introduced on 1 May specifically excludes 'plans or drawings for industrial, architectural, engineering, commercial or similar purposes' from the zero-rate. There is no mention of the existing zero-rate for printed music, maps and charts in either the HMRC guidance or the new legislation. We therefore assume that these items would be zero-rated when supplied in electronic form.
- HMRC have confirmed that 'supplied electronically' will cover both website access to the publication and delivery by email.

- HMRC are at pains to point out that the an e-book must be equivalent to a traditional book to benefit from zero-rating. This may be an attempt to deny zero-rating to books which are much more interactive as an e-book. This may be tested by business in the future.
- If you supply academic content as part of a distance learning course, you may be denied zero-rating. HMRC will argue this is a single supply of distance learning, rather than a sale of academic literature with a separate offer of support and exam marking by a tutor.

How it could impact you

There are at least three ways in which this could impact you

- If you sell e-publications, you will now be more competitive in your chosen market
- If your charity offers a regular digital publication to your members, you can reduce the amount of VAT due on your membership fee
- If you buy these publications and cannot recover VAT, this should reduce the cost to you.

What to do next


We recommend a review of both your purchases and sales. Please contact Jonathan Main if you would like to discuss further.




Jonathan Main
Indirect Tax Partner

E: jonathan.main@mooreandsmalley.co.uk
T: 07760 166802

mooreandsmalley.co.uk

 @MooreandSmalley

 Offices in: Preston, Blackpool, East Midlands, Kendal, Kirkby Lonsdale, Lancaster, Liverpool, Manchester and Southport

Moore and Smalley LLP is a limited liability partnership that is registered in England and Wales under registration number OC313995 whose registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. The term "partner" indicates a member of the LLP who is not in partnership for the purposes of the Partnership Act 1990 and a list of members is available from the registered office. The LLP trades as MHA Moore and Smalley and is registered to carry on audit work in the UK by The Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. Moore and Smalley LLP trading as MHA Moore and Smalley is a member of MHA, an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Moore and Smalley LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Moore and Smalley LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited.

Moore and Smalley C.A. Limited is a limited company that is registered in England and Wales under company number 5373155. Its directors are Deborah Wood FCA and Christine Wilson FCA and its registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. Moore and Smalley C.A. Limited is a wholly owned subsidiary of Moore and Smalley LLP and trades as MHA Moore and Smalley.

Moore and Smalley LLP (Blackpool) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Moore and Smalley C.A. Limited (Nottingham) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Now, for tomorrow

An independent member of
bakertilly
INTERNATIONAL