

Table 1 | World view of VAT on books, 2016

continued →

Region	Country	2015			2016		
		Standard	Print	E-books	Standard	Print	E-books
AFRICA	Algeria	17	7	N/A	17	7	7
	Angola	5-15	0	0	10	0	0
	Botswana	—	—	—	12	12	12
	Cameroon	—	—	—	19.25	0	0
	Cape Verde	—	—	—	15	0	0
	Egypt	10	0	0	10	0	0
	Ghana	17.5	0	17.5	15	0	N/A
	Guinea Bissau	—	—	—	15	0	0
	Kenya	16	16	16	16	16	16
	Madagascar	20	0	0	20	0	0
	Morocco	20	0	0	20	0	0
	Mozambique	17	17	17	17	0	0
	Nigeria	5	0	5	5	0	5
	Sao Tome and Principe	—	—	—	5	0	0
	South Africa	14	14	14	14	14	14
	Tanzania	18	0	N/A	18	0	N/A
	Tunisia	18	0	18	18	0	18
	Uganda	—	—	—	18	0	0
	Zambia	16	0	16	16	0	16
	ASIA	Bangladesh	—	—	—	15	0
China		17	13	N/A	17	13	6
Chinese Taipei		5	5	5	5	5	5
Hong Kong		No VAT	No VAT	No VAT	No VAT	No VAT	No VAT
India		5-15	0	0	5-15	0	0
Indonesia		10	10	10	10	10	10
Japan		8	8	8	8	8	8
Macau		—	—	—	0	0	0
Malaysia		6	0	6	6	0	6
Mongolia		10	10	10	10	10	10
Philippines		12	0	12	12	0	12
Singapore		7	7	7	7	7	7
South Korea		10	0	0	10	0	0
Thailand		7	0	7	7	0	0
Timor Leste		—	—	—	0	0	0
Vietnam	10	5	0	10	5	0	
AUSTRALASIA	Australia	10	10	10	10	10	10
	New Zealand	15	15	15	15	15	15
EUROPE	Albania	20	0	0	20	0	0
	Armenia	—	—	—	20	20	20
	Austria	20	10	20	20	10	20
	Belgium	21	6	21	21	6	21
	Bosnia and Herzegovina	—	—	—	17	17	17
	Bulgaria	20	20	20	20	20	20
	Croatia	25	5	25	25	5	25
	Cyprus	19	5	19	19	5	19
	Czech Republic	21	10	21	21	10	21
	Denmark	25	25	25	25	25	25
	Estonia	20	9	20	20	9	20
	Finland	24	10	24	24	10	24
	France	20	5.5	5.5	20	5.5	5.5
	Georgia	—	—	—	18	0	0
	Germany	19	7	19	19	7	19

continued ↘

Region	Country	2015			2016		
		Standard	Print	E-books	Standard	Print	E-books
EUROPE	Greece	23	6.5	23	24	6	24
	Hungary	27	5	27	27	5	27
	Iceland	24	11	11	24	11	11
	Ireland	23	0	23	23	0	23
	Italy	22	4	4	22	4	4
	Kosovo	-	-	-	18	8	8
	Latvia	21	12	21	21	12	21
	Lithuania	21	9	21	21	9	21
	Luxembourg	17	3	17	17	3	17
	Malta	18	5	18	18	5	18
	Netherlands	21	6	21	21	6	21
	Norway	25	0	25	25	0	25
	Poland	23	5	23	23	5	23
	Portugal	23	6	23	23	6	23
	Romania	24	9	24	20	5	20
	Russia	18	18	18	18	10	18
	Serbia	20	10	10	20	10	10
	Slovakia	20	10	20	20	10	20
	Slovenia	22	9.5	22	22	9.5	22
	Spain	21	4	21	21	4	21
Sweden	25	6	25	25	6	25	
Switzerland	8	2.5	8	8	2.5	8	
Turkey	18	8	8	18	8	8	
Ukraine	20	0	0	20	0	0	
UK	20	0	20	20	0	20	
LATIN AMERICA	Argentina	21	0	0	21	0	0
	Bolivia	-	-	-	13	0	0
	Brazil	17-19	0	0	17-19	0	0
	Chile	19	19	19	19	19	19
	Colombia	16	0	0	16	0	0
	Costa Rica	-	-	-	13	0	0
	Cuba	No VAT	No VAT	No VAT	No VAT	No VAT	No VAT
	Dominican Rep	-	-	-	18	0	0
	Ecuador	12	0	12	12	0	0
	El Salvador	-	-	-	13	0	0
	Guatemala	-	-	-	12	12	12
	Honduras	-	-	-	15	0	0
	Mexico	16	0	0	16	0	0
	Nicaragua	-	-	-	15	0	0
	Panama	-	-	-	7	0	0
Paraguay	-	-	-	10	0	0	
Peru	18	0	18	18	0	0	
Puerto Rico	-	-	-	11.5	0	0	
Uruguay	22	0	22	22	0	0	
Venezuela	12	0	0	12	0	0	
MIDDLE EAST	Israel	18	18	18	17	17	17
	Jordan	16	0	0	16	0	0
	Lebanon	10	0	10	10	0	10
	Qatar	No VAT	No VAT	No VAT	No VAT	No VAT	No VAT
	Saudi Arabia	No VAT	No VAT	No VAT	No VAT	No VAT	No VAT
UAE	No VAT	No VAT	No VAT	No VAT	No VAT	No VAT	
NORTH AMERICA	Canada	5 + province sales tax	0	5	5	0	0



# VAT on books The IPA-FEP Annual Global Report



# The Report

Every year the International Publishers Association (IPA) and the Federation of European Publishers (FEP) question a range of stakeholders in as many countries as possible about the rate of Value Added Tax (VAT) applied to printed books and e-books in their country. For the purposes of this report, we refer only to VAT, although it has various names worldwide, notably 'Goods & Services Tax' (GST) and 'sales tax'.

This year, the IPA and FEP received answers from 103 countries: 40 in Europe, 15 in Asia, 19 in Africa, 20 in Latin America, six in the Middle East, plus Canada, Australia and New Zealand. The USA is excluded because each state applies an individual sales tax regime.

## We asked each stakeholder for their country's:

- Standard VAT rate
- Rate of VAT applied to print books
- Rate of VAT applied to e-books

### Key data in 2016

**103 countries** appear in this year's report, 24 more than last year.

**17 countries** (18% of the total reported) apply the standard national rate of VAT to printed books, with Denmark applying the highest rate at 25% and Chinese Taipei the lowest at 5%.

**45 countries** (46% of the total reported) apply the standard national rate of VAT to e-books, with Hungary applying the highest VAT at 27% and Chinese Taipei the lowest at 5%.

**22 countries** (23% of the total reported) apply the same VAT rate to print and e-books.

**40 countries** apply no VAT to print or e-books.

**32 countries** apply a higher rate of VAT to e-books than print.

**The average print book VAT** is 4.8%. **The average e-book VAT** is 9.5%.

**Standard VAT rates** in Asia (average 8.5%) are much lower than in Europe (20.7%). For print books Europe also ranks higher, with an average of 7.4% vs 3.9% in Asia.

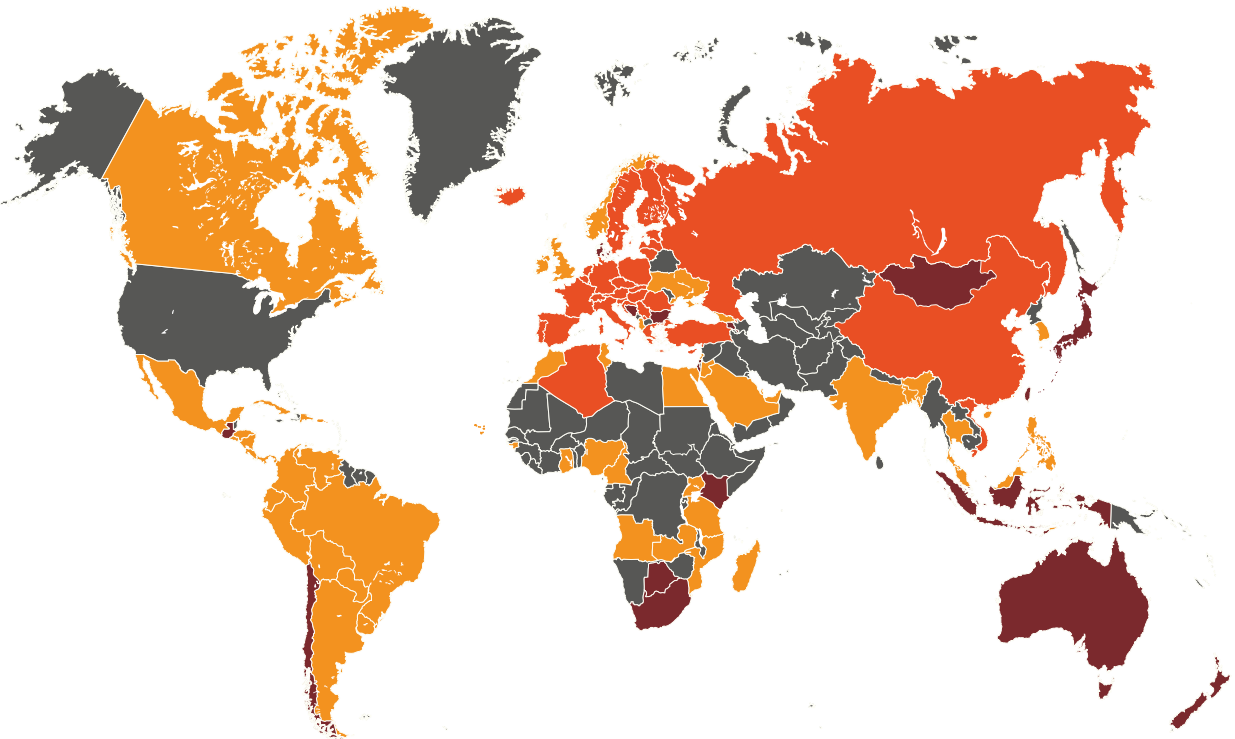
**Of the African countries** surveyed, Kenya applies the highest VAT rate on printed books (16%), while Tunisia applies the highest VAT rate on e-books (18%).

**6 African countries** have lowered VAT on print books since 2015, with two countries bringing it to zero: Mozambique and Tanzania.

**6 countries** have lowered VAT on e-books since 2015, with three countries (all in Latin America) bringing it to zero: Ecuador, Peru and Uruguay.

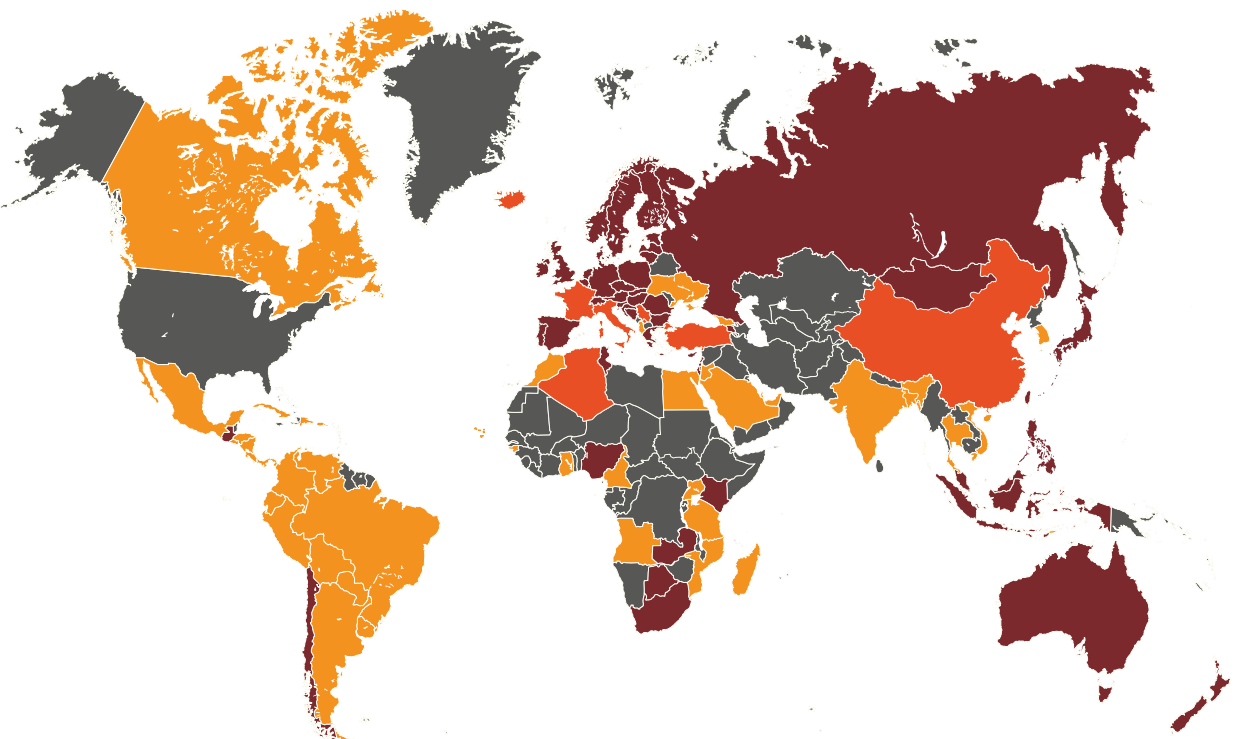
## PRINTED BOOKS AND VAT, 2016

- Standard rate of VAT for printed books
- Reduced rate of VAT for printed books
- Zero-rate of VAT for printed books
- Not surveyed



## E-BOOKS AND VAT, 2016

- Standard rate of VAT for e-books
- Reduced rate of VAT for e-books
- Zero-rate of VAT for e-books
- Not surveyed



## IPA: ZERO-RATING VAT ON ALL BOOKS IS THE SMART THING TO DO

The IPA believes that books, as a strategic commodity that activates the knowledge economy, should be exempted from VAT or subject to a zero-rate regime. More than a simple ideological position, this conviction is based on evidence that not taxing books brings widespread medium- and long-term social, cultural and economic benefits.

A zero rate of VAT on books is a fast and equitable way to boost consumption of literature in the classroom, at home and on the go. Books hold and deliver knowledge, and digital-based knowledge economies depend on the dynamic, unobstructed circulation of books.

In all countries the book market is highly price-sensitive. Any increase in cost, however small, can inflict serious damage to the 'book chain' — from the authors and publishers to distributors and retailers. For example, in Kenya a 16% VAT rate imposed in 2013 has caused nationwide book sales to fall 35%, driven down public school performances and ushered in an era in which pirated textbooks now outsell their legitimate counterparts.

Additionally, in many countries e-books are subject to a higher rate of VAT than printed books because they are treated as a digital 'service', rather than a cultural commodity, thus stunting the growth of the e-book market, especially in lesser-known language markets. Moreover, this discrimination penalizes people with print disabilities, many of whom rely on e-books, which are more accessible to them yet more costly due to this price differential.

In order to support the knowledge economy, to encourage reading and to promote the benefits of lifelong education, the IPA recommends zero-rate VAT for books, no matter what their format or how they are accessed.

## FEP: THE VIEW FROM BRUSSELS IN 2016

The past 12 months have seen a series of very positive developments with regard to the possible application of reduced rates of VAT to e-books. Some encouraging statements from EC President Juncker, Vice-President Ansip and Commissioner Oettinger in 2015 preceded the publication, in April 2016, of a Commission VAT Action Plan, which acknowledged that the current fiscal rules 'do not fully take into account technological and economic developments', in particular with regard to e-books.

The Action Plan announced a 'Proposal for removing VAT obstacles to cross-border e-commerce' related to e-publications. According to the Commission's press release accompanying the Plan, this is meant 'to ensure that e-publications can benefit from the same reduced rates as physical publications'.

In May 2016, another promising step came when the Economic and Financial Affairs Council of the EU discussed the Commission's VAT Action Plan and adopted a set of Conclusions, inviting the Commission 'to present a legislative proposal which integrates provisions concerning VAT rates for e-publications in the context of Digital Single Market initiatives by the end of 2016 and include an impact assessment'. The proposal is expected in December 2016.

The launch of a public consultation on reduced rates of VAT for electronically supplied publications in July further supports the idea that a solution to the unjustified disparity of treatment between print and e-books may finally be close. The European Parliament has expressed its support on several occasions, and a number of Member States have clearly warmed to the principle. The Commission's proposal will, in any case, need unanimous approval in the Council, so while our campaign for allowing Member States to apply the same fiscal regime to all types of books is not over, we have good reasons to be optimistic.

### About the International Publishers Association (IPA)

The IPA is the world's largest federation of publishers associations. The IPA is an industry body with a human rights mandate, whose mission is to promote and protect publishing and raise awareness of publishing as a force for economic, cultural and social development. Working with the World Intellectual Property Organization (WIPO) and other supranational bodies, the IPA champions the interests of book and journal publishing at all levels. The IPA fights censorship and promotes copyright, freedom to publish (including through the IPA Prix Voltaire), and literacy.

### Contact: Ben Steward

Director of Communications & Freedom to Publish  
t: +41 22 704 1824 e: steward@internationalpublishers.org

### About the Federation of European Publishers (FEP)

The FEP is the voice of publishers in Europe. It is an independent, non-commercial umbrella association of book publishers associations in the European Union. FEP represents 28 national associations of book publishers of the European Union and of the European Economic Area.

### Contact: Enrico Turrin

Deputy Director/Economist  
t: +32 2 770 1110 e: eturrin@fep-fee.eu