PRESS RELEASE

European press publishers underline the need for an alignment of digital and print VAT rates, following Council Ecofin Meeting

Brussels, 16 June 2017 –

European press publishers regret the outcome of today's Economic and Financial Affairs Council (Ecofin) meeting, which ended without a political agreement on the adoption of the proposal to amend the existing EU VAT directive in order to allow Member States to apply reduced VAT rates to digital publications.

The European Magazine Media Association and the European Newspaper Publishers' Association, together representing more than 20.000 publishers across Europe, have long argued for the ability to apply the reduced, super-reduced or zero VAT rates currently available for printed products to digital offers.

"Today, our audiences are reading magazines and newspapers on all available platforms – paper, online, and on mobile and tablet devices," said Auke Visser, EMMA President. "Europe's VAT regime needs to reflect this reality by allowing Member States to determine whether or not they apply the reduced rates offered to print publications also to digital offers. The lack of agreement in the Council is a frustrating set-back that forces EU and national decision makers to apply a differential treatment between the printed and digital press."

Earlier this month, members of the European Parliament indicated their broad support of the European Commission proposal by formally adopting its non-binding report which allowed reduced VAT rates for the digital press.

"Press publishers play a key role in education and literacy," said Carlo Perrone, ENPA President. "By continuing to make a distinction between print and digital VAT rates, EU decision-makers are increasing the administrative burdens faced by publishers, which limits the ability to invest in high-quality content that is available on all platforms. This is particularly detrimental to the young generation, which accesses news increasingly on digital platforms."

The current VAT Directive (2006/112) allows for reduced-rates to be applied only to printed versions of magazines and newspapers at EU level, meaning that digital publications have to apply the full VAT rate. Since people increasingly access content on mobile and digital devices, the current directive no longer reflects reality. The push to modify the directive to allow Member States to align digital and print VAT rates was first initiated by European Commission President Jean-Claude Juncker in a speech in 2015, and has been supported by both EMMA and ENPA ever since.

Without the agreement in the European Council, the file will continue to be discussed under the Estonian Presidency, which starts on 1 July 2017.

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ENPA is an international non-profit organisation representing publishers of newspaper and news media on all platforms. ENPA is working on a number of areas of European policy and legislation which are essential for the effective day-to-day running of operations of local, regional and national newspapers. In a rapidly changing media environment, ENPA supports publishers with the aim of achieving a successful and sustainable future for independent news media in Europe. For more information, please visit www.enpa.eu

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