



Zero rating of e-publications

On 11 March 2020, the government announced it would zero rate supplies of electronic publications ('e-publications') with effect from 1 December 2020. On 30 April 2020 the government announced it would bring forward the start date for the zero-rating of e-publications to 1 May 2020.

With effect from 1 May 2020, the following supplies are zero-rated: supplies of e-books, e-booklets, e-brochures, e-pamphlets, e-leaflets, e-newspapers, e-journals, e-periodicals, e-magazines and electronic versions of children's picture and painting books. However, zero-rating excludes e-publications that are wholly or predominantly devoted to advertising or to audio or video content.

It is not yet clear how HMRC will determine if a publication is wholly or predominantly devoted to advertising or to audio or video content, but we expect HMRC will provide guidance on this in due course.

Charities that apportion membership subscriptions under Extra Statutory Concession ESC 3.35 will be able to treat e-publications provided to members as zero-rated benefits with effect from 1 May 2020.

Zero-rating announcement: <https://www.gov.uk/government/publications/vat-zero-rating-e-publications/vat-zero-rating-e-publications>

If you would like to discuss the impact on membership benefits and VAT at your charity, please contact us.