

## **News Media Europe welcomes the announcement by the European Commission to modernise VAT in the EU**

News Media Europe, the organisation representing and promoting the interests of the modern European news media industry, welcomes the announcement by the European Commission to present by the end of 2016, a legislative proposal to modernise and simplify VAT for cross-border e-commerce as part of the Digital Single Market strategy. This will include a proposal to ensure that e-publications such as digital news media can benefit from the same reduced rates as physical publications.

On 7 April 2016 the Commission adopted an Action Plan setting out ways to reboot the current EU VAT system to make it simpler, more fraud-proof and business-friendly. The Action Plan sets out a pathway to modernise the current EU VAT rules. This includes key principles for a future single European VAT system, an update the framework for VAT rates and plans to simplify VAT rules for e-commerce in the context of the Digital Single Market (DSM) Strategy, to name a few.

News Media Europe supports the Commission in its thinking that different VAT rates between physical and digital goods and services do not reflect today's realities and that the current VAT rules do not take into account technological and economic developments, which is the case for electronic newspapers, which cannot today benefit from reduced rates available for physical publications. Furthermore, news media publishers in Europe support the principle of subsidiarity, which will allow EU Member States to implement their own VAT rate policy.

At the press conference to present the VAT Action Plan, Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, announced that the Commission will propose solutions to align the VAT rates for digital newspapers in line with the existing rules regarding physical newspapers by the end of 2016.

Moscovici said: "It is obviously fundamental that we must resolve the discrepancy between the current legislation and the reality presented by the digital economy. We live in the current century and not in the past one. This is why, before the end of the year, the Commission will propose to align the treatment of e-books and the digital newspapers in line with paper books and newspapers, in accordance with the commitment of President Juncker. An e-book is a book and a digital newspaper is a newspaper. It is as easy as that and thus, we will apply the same VAT rules."

Fernando de Yarza López-Madrado, President of News Media Europe, joins the Presidency of the organisation, to welcome this long awaited progress achieved in the debate for lower VAT rates on digital press. News Media Europe also calls on all Member States to give their unconditional support to such a change so that updated VAT rules can better support the Digital Single Market, facilitate cross-border trade and keep pace with today's digital and mobile economy.

Link to the VAT Action Plan:

[http://ec.europa.eu/taxation\\_customs/resources/documents/taxation/vat/action\\_plan/com\\_2016\\_148\\_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/taxation/vat/action_plan/com_2016_148_en.pdf)

Link to the speech of Commissioner Moscovici:

[http://europa.eu/rapid/press-release\\_SPEECH-16-1302\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-16-1302_en.htm)

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A handwritten signature in blue ink, appearing to read 'F. de Yarza', with a long horizontal stroke extending to the right.

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