

Foreword

This notice cancels and replaces Notice 701/10 (October 1999). Details of any changes to the previous version can be found in paragraph 1.2 of this notice.

Further help and advice

If you need general advice or more copies of Customs and Excise notices, please ring the **National Advice Service** on **0845 010 9000**. **You can call between 8.00 am and 8.00 pm, Monday to Friday.**

If you have **hearing difficulties**, please ring the **Textphone** service on **0845 000 0200**.

If you would like to speak to someone in **Welsh**, please ring **0845 010 0300**, **between 8.00 am and 6.00 pm, Monday to Friday.**

All calls are charged at the local rate within the UK. Charges may differ for mobile phones.

Other notices on this or related subjects

[48 Extra-Statutory Concessions](#)

[700 The VAT Guide](#)

[701/1 Charities](#)

[700/7 Business promotion schemes](#)

[700/24 Postage and delivery charges](#)

[700/57 VAT: Administrative agreements entered into with trade bodies](#)

[701/58 Charity advertising and goods connected with collecting donations](#)

[VAT Information Sheet 2/01 \(July 2001\) – “Single or Multiple Supplies – How to Decide](#)

1. Introduction

1.1 What this notice is about

It explains the nature of, and the circumstances when you can zero-rate books (the items listed in Group 3 of schedule 8 of the Value Added Tax Act 1994 reproduced in paragraph 1.3).

1.2 What's changed?

The notice has been rewritten to improve readability. However, we have taken the opportunity to update the material and clarify certain matters on which we have received queries since the publication of the last edition. We have:-

- (a) removed all reference to "printed and similar matter" (including the title of the notice which is now Zero-rating of Books etc) as this phrase does not appear in the VAT Act 1994 and we have received indications that there has been general misunderstanding of its meaning.
- (b) updated our policy on leaflets to take account of recent developments in the printing industry – see paragraph 3.3.
- (c) made it clear that the 25% test for items with areas for completion, detachment or return is not a rigid guideline - see paragraph 3.4.
- (d) shown the special rules for charities in paragraphs 4.6, and 6.6.
- (e) included for the first time the liability of supplies by libraries - see paragraph 5.3.
- (f) updated our guidance on single and multiple supplies and the package test to take account of the decision in the European Court of Justice case of Card Protection Plan - see section 6. In particular we have included additional guidance on the operation of the package test when supplies of items printed on paper and card are supplied to charities - see paragraph 6.6.
- (g) clarified the distinction between supplies of services where zero-rated goods are incidental products, and those supplies of services which result in the production of zero-rated goods - see section 7.

You can access details of any changes to this notice since August 2003 either on our Internet website at www.hmce.gov.uk or by telephoning the National Advice Service on 0845 010 9000.

This notice and others mentioned are available both on paper and on our website.

1.3 What law covers this notice?

The Value Added Tax Act 1994, section 30 provides for the zero-rating of goods listed in Schedule 8 of the Act.

Schedule 8, Group 3 sets out which books, etc which may be zero-rated as follows:

Group 3 - Books, etc.

Item No.

1. Books, booklets, brochures, pamphlets and leaflets.

2. Newspapers, journals and periodicals.
3. Children's picture books and painting books.
4. Music (printed, duplicated or manuscript).
5. Maps, charts and topographical plans.
6. Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.

Note:

Items 1 to 6 –

- (a) do not include plans or drawings for industrial, architectural, engineering, commercial or similar purposes; but
- (b) include the supply of the services described in paragraph 1(1) of Schedule 4 in respect of goods comprised in the items.

The effect of paragraph 1(1) of Schedule 4 is explained in paragraph 5.3.

2. The format of the Group 3 items

The words in Group 3 are used in their ordinary, everyday sense. This means they are restricted to goods produced on paper and similar materials such as card (but see paragraph 3.7). Most items qualifying for the zero-rating will be products of the printing industry (including items printed in Braille), but goods which are photocopied, typed or hand-written will, in some cases, also qualify.

Goods containing text in other formats such as audio or video cassettes or CD Rom are standard-rated. This includes the storage and distribution of text by fax, e-mail, microfiche, or any similar process. Transcripts or print-outs made of such information are zero-rated if they are supplied in the form of books, booklets, brochures, pamphlets or leaflets as defined in section 3.

The supply of text by electronic transmission, via the internet, or similar means is also standard-rated. Such supplies are of services, not of goods, and different VAT rules will apply to them (such as those on the place of supply of services – see Notice 741 Place of supply of services).

3. Meaning of the Group 3 items

The meaning of the individual items is explained in detail below. Whether a particular item falls within those meanings depends mainly on its physical characteristics and function but also, to a lesser extent, on its content.

3.1 Books and booklets

These normally consist of text or illustrations, bound in a cover stiffer than their pages. They may be printed in any language or characters (including Braille or shorthand), photocopied, typed or hand-written, so long as they are found in book or booklet form.

Supplies of any of the following are zero-rated:

- literary works;
- reference books;
- directories and catalogues;
- antique books;
- collections of letters or documents permanently bound in covers;
- loose-leaf books, manuals or instructions, whether complete with their binder or not; and
- amendments to zero-rated loose-leaf books, even if issued separately.

School work books and other educational texts in question and answer format, are zero-rated because the spaces provided for the insertion of answers are incidental to the essential character of the book or booklet. The same applies to exam papers in question and answer format provided they qualify as books, booklets, brochures, pamphlets or leaflets.

But supplies of the following are standard-rated:

- books of plans or drawings for industrial, architectural, engineering, commercial or similar purposes;
- picture card and stamp albums, **unless** they contain a substantial amount of reading matter which is complete in itself, and no more than 25% of the album is set aside for the mounting of cards and stamps;
- completed stamp albums; and
- products that are essentially stationery items, for example, diaries and address books.

3.2 Brochures and pamphlets

These are not defined in law and whether a particular product qualifies as a brochure or pamphlet is a matter of fact and impression.

Brochures usually consist of several sheets of reading matter fastened or folded together, which are not necessarily bound in covers. They usually contain advertising material in the form of text or illustrations.

Pamphlets are similar, but are usually comprised of material of a political, social or intellectual nature.

Single sheet brochures and "Wallet" type brochures designed with a flap may be zero-rated provided they:

- convey information; and
- contain a substantial amount of text, with some indication of contents or of the issuing organisation; and
- are not primarily designed to hold other items; and
- are supplied complete.

3.3 Leaflets

These are also not defined in law and again whether a particular product qualifies as a leaflet is a matter of fact and impression. Leaflets normally:

- consist of a single sheet of paper not greater than international standard A4 in size (larger publications up to A2 size can be zero-rated provided that they are printed on both sides, folded down to A4 size or smaller and meet the other conditions);
- are intended to be held in the hand for reading by individuals (rather than for hanging up for general display);
- convey information;
- are complete (and not a part work);
- are supplied in sufficient quantity (at least 50 copies) to permit general distribution;
- are printed on limp paper; and
- will either be of an ephemeral nature (designed to be read a few times and then thrown away) or be designed to accompany some other product or service, for example an instruction leaflet.

Items printed on stiff paper and card are not automatically excluded from the definition of leaflets. However we do regard the use of stiff paper and card as an indicator that the items have a function which **would** exclude them.

For example if the item's main function were designed to be kept or used for a specific purpose in its own right, rather as ancillary to another supply, it would not be a leaflet. Examples of items that would **not** be leaflets would be those designed to be used for **any** of the following:

- as a calendar;
- to obtain admission to premises;
- to obtain a discount on goods or services;
- as reference material; or
- for completion or return (see paragraph 3.4).

We consider that items printed on laminated paper are designed to be kept and therefore not leaflets. On the other hand, orders of service are not normally designed to be kept and may be zero-rated.

3.4 Items with areas for completion

Items which might otherwise be considered to be leaflets, brochures and pamphlets may not be zero-rated if they are primarily intended for completion or detachment. This distinguishes brochures, pamphlets and leaflets from standard-rated forms.

We accept that items are **not** primarily intended for completion or detachment if 25% or less of their total area consists of:

- areas which are blank and available for completion; or
- parts to be detached and returned.

Where there is both an area for completion and a part to be detached and returned, then the two together must not exceed 25% of the total area of the publication.

If you have items with areas for completion or detachment which does exceed 25%, but you consider they are nevertheless **not** primarily forms or other stationery, you should obtain a written ruling from our National Advice Service before zero-rating them.

Whatever the area for completion, a publication which is designed to be returned whole after completion is always standard-rated.

3.5 Newspapers

Newspapers are issued at least once a week in a continuous series under the same title. Each issue is usually dated and/or serially numbered. They usually consist of several large sheets folded rather than bound together, and contain information about current events of local, national or international interest.

Publications which do not contain a substantial amount of news are not newspapers.

Many newspapers also carry items such as readers' letters, sports news, the weather forecast, crosswords and features (including feature supplements) on fashion, gardening, etc., or more specialised topics.

3.6 Journals and periodicals

These are magazines issued in a series at regular intervals, more frequently than once a year, either in newspaper format or as paper-bound publications. They may contain information of a specialised nature (for example legal, medical, financial, commercial, fashion or sporting) or be of more general interest. They are normally a mixture of articles and stories with the content changed for each edition. Although they consist essentially of reading matter, they may also consist mainly of illustrations or advertising matter.

'Poster-magazines', which have some textual material on one side and a related picture capable of being used as a poster on the other side and which are folded into a magazine format are zero-rated as periodicals, provided they are issued at regular intervals.

Publications whose main purpose is to promote your own products or services are not journals or periodicals, even if they are published regularly. If you supply such publications, you can still zero-rate them if they fall within one of the zero-rated categories, such as brochures.

3.7 Children's picture books

These are zero-rated, whether they are printed on paper, plastic or textiles, such as children's rag books, unless the article is essentially a toy. Examples of articles which are standard-rated as toys include:

- books consisting wholly or mainly of pictures of models for cutting out - but books with printed text directly related to the material for cutting out covering at least 25% of the pages can be zero-rated. (Pages of assembly instructions should not be included as printed text for the purpose of determining eligibility for zero-rating); and
- items where the "pages" are boards for games.

3.8 Children's painting books

Supplies of the following are zero-rated:

- children's painting and drawing books with sample pictures for copying, or outlines of pictures for colouring, painting or drawing;

- similar books with 'invisible' outlines to colour which can be made visible by rubbing with a pencil or applying water with a paint brush;
- painting books in which the small amounts of water colour required for colouring are contained in the book (for example, in the form of a palette); and
- activity books which combine pages of colouring with pages of puzzles, quizzes and the like.

3.9 Music

Printed, duplicated or manuscript music of all kinds is zero-rated. It may be:

- instrumental or vocal;
- printed or hand-written;
- bound or on loose sheets;
- illustrated or not; or
- in any system of notation, including numerical symbols or Braille.

Music rolls and blank music manuscript are **standard-rated**.

A piece of music commissioned from a composer is **standard-rated** (see paragraph 7.2).

3.10 Maps, charts and topographical plans

Supplies of all printed maps and charts designed to represent the natural or artificial features of countries, towns, seas, the heavens, etc are zero-rated. They can be printed on paper or other material (such as cloth) and in the form of single or folded sheets or a collection of such sheets bound together in book form (for example, an atlas).

But supplies of **any of these** are **standard-rated**:

- plans or drawings for industrial, architectural, engineering, commercial or similar purposes, in any format;
- framed maps whose primary purpose is decorative;
- posters;
- pictorial wall charts;
- aerial photographs;

- globes, three dimensional models and similar articles; or
- decorative maps printed or woven into textile articles such as scarves, handkerchiefs, tea-towels, tapestries, rugs.

4. Items not included within any of the Group 3 items

4.1 Posters

Sheets intended for public display are standard-rated. For 'Poster-magazines', see paragraph 3.6.

4.2 Stationery

Stationery items such as account books and exercise books are standard-rated. Some items which are standard-rated stationery when new and unused can be zero-rated if sold after they have been completed, provided that they then have the physical characteristics of a book or other zero-rated item. Examples are completed diaries or ships' logs, but not completed stamp albums.

4.3 Letters

Individual manuscript or typed letters are standard-rated, as are collections of such letters if they are unbound or loosely bound. Permanently bound collections of letters are zero-rated.

If a 'stock' or basic letter is supplied with an individual name or address of the recipient added (by whatever means) that supply is standard-rated. Uncompleted 'stock' or basic letters may qualify as **leaflets** (paragraph 3.3), if the portion for completion consists of no more than the recipient's name and address, a reference number and a signature.

4.4 Incomplete publications

Parts of books, unbound pages and separate illustrations are standard-rated.

By concession, the following are zero-rated:

- Part work publications designed to build up into a zero-rated book. Once a complete book has been supplied, amendments to it may also be zero-rated.
- Card based continuity series publications, even though not bound, but stored in their container will for, VAT purposes, be treated as a book.

See Notice 48 Extra-Statutory Concessions.

4.5 Photocopies

Photocopies of zero-rated items are always standard-rated unless the copies can be properly described as books, booklets, brochures, pamphlets, leaflets etc, and meet all the criteria for such items in the relevant preceding paragraphs. A bundle of photocopies would not constitute a book unless it included copies of all the pages of a book and was in a permanent binding. Photocopies of parts of books, extracts from periodicals etc cannot be zero-rated unless they are complete in themselves and have the characteristics of zero-rated items.

If you provide 'instant' photocopying or duplicating services and you cannot determine the VAT liability of the copies which you supply, you should charge and account for VAT at the standard rate.

4.6 Supplies to charities

Certain printed items that are not within the group 3 zero-rating and are therefore usually standard-rated, may be zero-rated when supplied to charities for use in connection with collecting monetary donations. For details see Notice 701/58 Charity advertising and goods connected with collecting donations.

5. Related supplies

5.1 Incidental articles supplied with zero-rated items

Minor accessories for example dust covers, clasps, book marks, slip cases and presentation cases, supplied with any zero-rated items, are usually regarded as forming part of the zero-rated item (but see section 6).

5.2 Binders and folders

Ring-binders and similar binders supplied on their own are zero-rated if they are designed to contain a loose-leaf book, provided the exact title of that book is printed on the outside. A company name alone is not enough for zero-rating. A binder supplied with loose-leaf pages to make a book is treated as part of the zero-rated supply whether titled or not. All other binders or files for general or office use are standard-rated. This includes binders for part works, journals or periodicals (whether specifically titled or not).

Most folders and wallets are standard-rated but if they convey information themselves they may qualify as brochures (see paragraph 3.2).

5.3 Loans, hire and shares

If you lend or hire out an article which is zero-rated under the rules explained in this notice, or sell a share or part interest in such an article, your supply is always zero-rated.

Libraries which charge for the loan of books will therefore be making zero-rated supplies. This will also apply to reference libraries which charge for the use of their books on their own premises.

Please note that libraries which charge for use of a number of different facilities must consider section 6.

Note: This is the effect of note (b) to group 3 of schedule 8 and paragraph 1(1) of Schedule 4 of the Value Added Tax Act 1994.

5.4 Book tokens

If you...	then...
<ul style="list-style-type: none">print book tokens for someone	your supply is standard-rated
<ul style="list-style-type: none">sell a book token to the general public for its face value or less	no VAT is due
<ul style="list-style-type: none">sell a book token to the general public for more than its face value	you must account for VAT on the difference between your selling price and its face value
<ul style="list-style-type: none">make a separate charge for a greetings card	that charge is standard-rated

Further guidance is in Notice 700/7 Business promotion schemes.

5.5 Small order surcharges

If you impose a surcharge for handling a small order, which increases the unit price of the goods, it is part of the price of the goods and is zero-rated if the goods are zero-rated.

5.6 Postage packing and delivery charges

Guidance is given in Notice 700/24 Postage and delivery charges.

5.7 Subsidy or vanity publishing

Subsidy or vanity publishing occurs when an author who is unable to have work published pays a publisher to do so. If the publisher produces books which are all delivered to the author, the payment by the author is a consideration for a supply of books and is zero-rated.

If the bulk of the books remain with the publisher, payment by the author is partly for the supply of books (zero-rated) and partly for publishing services (standard-rated).

Agreement has been reached with the British Printing Industries Federation in calculating the value of such supplies which can be seen in Notice 700/57 VAT: Administrative agreements entered into with trade bodies.

6. Single and multiple supplies

6.1 Transactions with more than one element

When you supply the same person at the same time with a number of different goods or services or both, a transaction with more than one element occurs. You may, or may not, charge a single inclusive price for the transaction.

If the individual elements are all liable to VAT at the same rate, you can calculate the tax that is due in the normal way. If the individual supplies are not liable to VAT at the same rate, you have to decide whether you are making a **single supply** or a **multiple supply**.

There are exceptions to the normal rule:

- for packages consisting entirely of items printed on paper or card - see paragraphs 6.5 and 6.6.
- for certain cover mounted items on magazines - see paragraph 6.7.

6.2 What is a single supply?

You make a single supply when one element of the supply is the principal or significant element to which all the other elements are ancillary, integral or incidental.

6.3 What is a multiple supply

You make a multiple supply if more than one element is distinct and independent.

6.4 What are the VAT consequences of the distinction between single and multiple supplies?

If you make a **single supply**, you must treat the whole transaction as having the VAT liability of the principal element. If you make a **multiple supply** each element will take its own liability and, if you charge a single inclusive price for the transaction, you will have to make an apportionment of that price. Notice 700 The VAT Guide shows how you may apportion output tax. **However**, there is an exception for packages consisting entirely of items printed on paper and card.

6.5 Packages consisting entirely of items printed on paper or card (“The package test”)

Where you make a **multiple supply** of a package consisting entirely of items printed on paper or card, you have a choice. You can account for VAT by apportionment between the standard-rated and zero-rated elements or you can apply the **package test**.

For this purpose, a package is a collection of items printed on paper or card usually enclosed in some sort of wrapper. The articles must physically form a package and have a common link in that they are intended to be used together, examples are:

- Packages contained in an outer polythene or paper envelope; for example, a package sent to a shareholder which includes company reports, circulars, a proxy voting form and a reply-paid envelope.
- Cardboard folders with pockets into which are inserted a variety of forms, leaflets, etc.
- Advertising packages often from financial institutions.

The package test may reduce your tax burden and be simpler than the apportionment described above. It operates as follows:

- if the package contains more zero-rated than standard-rated items, the package as a whole can be zero-rated;
- if there are more standard-rated items, the package as a whole is standard-rated; and
- where there are equal numbers of zero-rated and standard-rated items, the liability of the package is decided by the costs of the goods. If the zero-rated elements of the package cost more, the whole package is zero-rated and vice versa.

In the unlikely event that the standard and zero-rated elements cost exactly the same amount, apportionment should be applied.

Note:

(a) The outer envelope in which the package items are enclosed is not taken into account in the count, but a reply-paid envelope counts as a standard-rated item.

(b) If any item in the package is not printed on paper or card the package test cannot be applied.

6.6 The package test for charities

From the date of this notice (1st day of the month), if you supply a package to a charity you can treat some items connected with collecting monetary donations as zero-rated for the purposes of the package test. The items must meet the criteria set out in Notice 701/58 Charity advertising and goods connected with collecting donations.

Item...	Treatment for the package test...
Letter appealing for donations	Zero-rated
Printed envelopes for use with appeal letters	Zero-rated
Money collecting envelopes	Zero-rated
Stickers	Standard-rated for the package test
Money collecting boxes made of card	Zero-rated
Any item not made of paper or card	Package test cannot be used

6.7 Promotional items in magazines

If you link a cover-mounted item such as a sachet of perfume or a CD to a magazine, you can treat it as zero-rated if the following conditions are met:

- you do not make a separate charge for it; **and**
- issues with cover mounted items are sold at the same price as those that do not; **and**
- the cost to you of the cover mounted item or items included in any individual issue does not exceed:
 - 20% of the total cost to you of the combined supply (excluding VAT); **and**
 - £1 (excluding VAT).

This linking of goods is normally done by the publisher, but can take place at any point in the distribution chain (for example, distributor, retailer).

If at the point of linkage the supply satisfies the terms of this concession, it becomes a single zero-rated supply and will continue to be a single supply throughout the chain.

If the supply does not satisfy the terms of the concession, you will have to consider whether the supply is a single or multiple supply under the normal rules explained above.

6.8 Where can I find further information about this?

In VAT Information Sheet 2/01 (July 2001) - "Single or Multiple Supplies - How to Decide".

7. Production of zero-rated goods

7.1 Nature of the service

Some contracts to supply services involve, to a greater or lesser extent, the production of goods zero-rated under group 3. If you supply such services, you should first consider whether the your supply is of:

- (a) an original or specialist nature; or
- (b) the production of goods (which will be more likely if you work in the printing industry)

If...	then...
your services are of an original or specialist nature (see paragraph 7.2)	they are always standard-rated, as any goods produced are incidental to your services
your service is of the production of goods	it will be zero-rated where: <ul style="list-style-type: none">• your service has produced new goods and those goods are themselves zero-rated (see paragraph 7.3)

7.2 When do you supply services of an original or specialist nature?

When you supply a service such as

- original writing or composition;
- those involving a specialism such as translation, typing, shorthand transcription or transcription of musical scores,

such services are standard-rated. When you also supply goods with those services as incidental products then you must standard-rate those goods even if they are zero-rated under group 3. Here are some examples:-

- a manuscript of a book supplied by an author;
- a piece of music commissioned from a composer;

- a report commissioned from a consultant, analyst or adviser;
- a translation;
- a shorthand transcription;
- a typed manuscript; and
- a musical score

However, you may zero-rate any extra copies of such items provided:

- they are in a format which qualifies for zero-rating; **and**
- they are supplied at a price which covers only the cost of producing the extra copies and a reasonable mark-up.

7.3 When is your service that of the production of new zero-rated goods?

New goods are produced when the essential characteristics of the goods are altered. Note in particular in the following situations.

7.3.1 Preparatory or post-production work

Where you have a contract to supply items that qualify for zero-rating, you may zero-rate any preparatory or post-production work (other than alterations) that you perform in conjunction with it. This applies whether or not you itemise the various processes on your tax invoice and charge for them separately, and even if you have employed sub-contractors.

7.3.2 Sub-contract work

As a sub-contractor you can only zero-rate work if you produce new zero-rated goods. If you do not produce zero-rated goods yourself, you cannot zero-rate your supply even if you know that the final product will be zero-rated. Therefore, if you provide typesetting only, your charge must be standard-rated. However, if you bind pages together to make a book (with cover) you are producing a zero-rated item and your supply can be zero-rated.

There will be occasions when a sub-contractor will need to charge VAT for a contribution to the production process, although the main printer may zero rate the supply to the final customer.

7.3.3 Work on other people's goods

If you apply a treatment or process to someone else's goods which produces new goods, the liability of your service follows that of the goods produced. If these new goods would qualify for zero-rating, then you have provided a zero-rated service. Any other service you provide is standard-rated including post-production alterations.

For example, if you bind loose papers into a book, your service is zero-rated; but if you re-cover or otherwise repair an old volume your services are standard-rated.

8. Liability of some common items

In the list below we give our views of the liability of items which are commonly the subject of queries about the zero-rating for books etc.

However, you should not assume that an article is zero-rated under group 3 just because it is not shown as standard-rated in the list, or determine liability by referring only to this list. You must satisfy yourself by reference to the general body of guidance in this notice that the product qualifies for zero-rating under one of the items of Group 3 (reproduced at paragraph 1.3).

Item	Liability
Acceptance cards	Standard-rated
Account Books	Standard-rated
Accounts (fully printed)	Zero-rated
Address books	Standard-rated
Advertising leaflets	Zero-rated
Agendas (fully printed)	Zero-rated
Albums	Standard-rated
Almanacs	Zero-rated
Amendment slips	Standard-rated
Amendments (loose-leaf)	Zero-rated
Announcement cards	Standard-rated
Annuals	Zero-rated
Antique books	Zero-rated
Antique maps	Zero-rated
Appointment cards	Standard-rated
Articles of association (complete in booklet form)	Zero-rated
Astronomical charts	Zero-rated

Item	Liability
Atlases	Zero-rated
Autograph albums (uncompleted)	Standard-rated
Autograph books (completed)	Zero-rated
Badges	Standard-rated
Bags, paper	Standard-rated
Ballot papers	Standard-rated
Bankers' drafts	Standard-rated
Bibliographies	Zero-rated
Billheads	Standard-rated
Bills of lading	Standard-rated
Bills of quantity (blank)	Standard-rated
Bills of quantity (completed)	Zero-rated
Binders	Standard-rated (but see paragraph 5.2)
Bingo cards	Standard-rated
Biorhythm charts	Standard-rated
Blotters	Standard-rated
Book covers	Standard-rated
Book marks	Standard-rated
Book tokens	Standard-rated
Booklets	Zero-rated
Bookmakers' tickets	Standard-rated
Books	Zero-rated
Brochures	Zero-rated
Bulletins	Zero-rated
Business cards	Standard-rated

Item	Liability
Calendars	Standard-rated
Catalogues	Zero-rated
Certificates	Standard-rated
Charts (geographical or topographical)	Zero-rated
Cheques and cheque books	Standard-rated
Cigarette cards	Standard-rated
Circulars	Zero-rated
Cloakroom tickets	Standard-rated
Colour cards	Standard-rated
Colouring books (children's)	Zero-rated
Comics	Zero-rated
Company accounts and reports	Zero-rated
Compliment slips	Standard-rated
Copy books	Standard-rated
Correspondence cards	Standard-rated
Coupon books	Standard-rated
Coupons	Standard-rated
Credit cards	Standard-rated
Crossword books	Zero-rated
Delivery notes	Standard-rated
Diaries (completed)	Zero-rated
Diaries (unused)	Standard-rated
Dictionaries	Zero-rated
Directories (completed)	Zero-rated
Dividend warrants	Standard-rated

Item	Liability
Dressmaking patterns	Standard-rated
Election addresses	Zero-rated
Encyclopaedias	Zero-rated
Engineers' plans	Standard-rated
Envelopes	Standard-rated
Exercise books	Standard-rated
Fashion drawings	Standard-rated
Flash cards	Standard-rated
Folders	Standard-rated
Football pool coupons	Standard-rated
Football programmes	Zero-rated
Form letters	Standard-rated (but see paragraph 4.3)
Forms	Standard-rated
Framed decorative maps	Standard-rated
Games	Standard-rated
Geological maps	Zero-rated
Globes	Standard-rated
Graph paper	Standard-rated
Greetings cards	Standard-rated
Handbills	Zero-rated
Holiday and tourist guides	Zero-rated
Hydrographical charts	Zero-rated
Hymn books	Zero-rated
Index cards	Standard-rated
Inlay cards for cassette, CD or video	Standard-rated

Item	Liability
Instruction manuals	Zero-rated
Insurance cover notes	Standard-rated
Invitation cards	Standard-rated
Invoices	Standard-rated
Journals	Zero-rated
Labels	Standard-rated
Leaflets	Zero-rated
Letter headings	Standard-rated
Letters (handwritten)	Standard-rated
Log books (blank)	Standard-rated
Loose leaf books	Zero-rated
Lottery tickets and cards	Standard-rated
Magazines	Zero-rated
Mail order catalogues	Zero-rated
Manuals	Zero-rated
Manuscript paper	Standard-rated
Manuscripts	Standard-rated
Maps	Zero-rated
Medical records	Standard-rated
Membership cards	Standard-rated
Memo pads	Standard-rated
Memoranda of association (completed in booklet form)	Zero-rated
Memorial cards	Standard-rated
Menu cards	Standard-rated
Microfiche	Standard-rated

Item	Liability
Microfilm	Standard-rated
Microform copies	Standard-rated
Missals	Zero-rated
Monographs	Zero-rated
Music	Zero-rated
Music rolls	Standard-rated
Music scores	Zero-rated
Newspapers	Zero-rated
Note books, pads and paper	Standard-rated
Order books and forms	Standard-rated
Orders of Service	Zero-rated
Painting books (children's)	Zero-rated
Pamphlets	Zero-rated
Paper, unprinted	Standard-rated
Parts of books (see paragraph 4.4)	Standard-rated
Pattern cards	Standard-rated
Periodicals	Zero-rated
Photograph albums	Standard-rated
Photographs	Standard-rated
Picture books	Zero-rated
Plans	Standard-rated (but see paragraph 3.10)
Playing cards	Standard-rated
Poll cards	Standard-rated
Pools coupons	Standard-rated
Postcards (whether completed or not)	Standard-rated

Item	Liability
Poster magazines (see paragraph 3.6)	Zero-rated
Posters	Standard-rated
Prayer books	Zero-rated
Price cards and tags	Standard-rated
Price lists (fully printed leaflets or brochures)	Zero-rated
Printed pictures	Standard-rated
Programmes	Zero-rated
Questionnaires	Standard-rated
Rag books (children's)	Zero-rated
Receipt books and forms	Standard-rated
Recipe books	Zero-rated
Record books	Standard-rated
Record labels	Standard-rated
Record sleeves	Standard-rated
Registers	Standard-rated
Rent books	Standard-rated
Reply-paid coupons and envelopes	Standard-rated
Reproductions of paintings	Standard-rated
Road maps	Zero-rated
Score cards	Standard-rated
Scrap books (blank)	Standard-rated
Scrap books (completed)	Zero-rated
Scrolls (hand-written)	Standard-rated
Seals	Standard-rated
Shade cards (unless they contain	Standard-rated

Item	Liability
substantial printed text)	
Share certificates	Standard-rated
Ships' logs (completed)	Zero-rated
Sports programmes	Zero-rated
Staff journals	Zero-rated
Stamp albums (whether completed or not)	Standard-rated
Stationery	Standard-rated
Stationery books	Standard-rated
Stickers	Standard-rated
Swatch books	Standard-rated
Swatch cards	Standard-rated
Sweepstake tickets	Standard-rated
Tags	Standard-rated
Temperature charts	Standard-rated
Text books	Zero-rated
Theses	Zero-rated
Tickets	Standard-rated
Time cards and sheets	Standard-rated
Timetables (in book or leaflet form)	Zero-rated
Tokens	Standard-rated (but see paragraph 5.4)
Topographical plans	Zero-rated
Toys	Standard-rated
Tracts	Zero-rated
Trade catalogues	Zero-rated
Trade directories	Zero-rated

Item	Liability
Transcripts	Standard-rated
Transfers	Standard-rated
Transparencies	Standard-rated
Travel brochures	Zero-rated
Visiting cards	Standard-rated
Vouchers	Standard-rated
Wall charts	Standard-rated
Waste paper	Standard-rated
Wills	Standard-rated
Winding cards	Standard-rated
Wrapping paper	Standard-rated
Wreath cards	Standard-rated

Do you have any comments?

We would be pleased to receive any comments or suggestions you may have about this notice. Please write to:

**HM Customs and Excise
Social Exemptions and Zero Rates Team
Policy Group
4th Floor East
New Kings Beam House
22 Upper Ground
London
SE1 9PJ**

Please note this address is not **for general enquiries**. You should ring our National Advice Service about those.

If you have a complaint or suggestion

If you have a complaint please try to resolve it on the spot with our officer. If you are unable to do so, or have a suggestion about how we can improve our service, you should contact one of our Regional Complaints Units. You will find the telephone number under 'Customs and Excise - complaints and suggestions' in your local telephone book. Ask for a copy of our code of practice 'Complaints and putting things right' (Notice 1000). You will find further information on our website at <http://www.hmce.gov.uk>.

If we are unable to resolve your complaint to your satisfaction you can ask the Adjudicator to look into it. The Adjudicator, whose services are free, is a fair and unbiased referee whose recommendations are independent of Customs and Excise.

You can contact the Adjudicator at:

The Adjudicator's Office
Haymarket House
28 Haymarket
LONDON
SW1Y 4SP

Phone: (020) 7930 2292

Fax: (020) 7930 2298

E-mail: adjudicators@gtnet.gov.uk

Internet: www.adjudicatorsoffice.gov.uk/

Update 1 issued March 2007

This Update amends section 6 on single and multiple supplies. It replaces the guidance provided in Business Brief 20/2003.

6 Single and multiple supplies

Delete the text contained in paragraphs 6.2 to 6.4 and **replace** with the following.

6.2 Distinguishing between single and multiple supplies

When you supply books or magazines etc packaged with another item, you must determine whether they constitute single or multiple supplies, in line with the principles established in the European Court of Justice judgment in Card Protection Plan (CPP).

You make a single supply when one element of the supply is the principal element to which all the other elements are ancillary, integral or incidental. An ancillary element does not constitute, for the customer, an aim in itself, but is a means of better enjoying the principal service (or good) supplied. Integral elements are elements that are essential, necessary or incidental to the main supply. An incidental element is something that naturally accompanies the main supply, such as packaging.

General indicators of a single supply, (although they are not conclusive), are:

- Single price.
- Advertised as a package.
- Components not available separately.
- Goods physically packaged together.
- Customer perceives that what they are getting is a single supply not a package (e.g. a tailor made suit not cloth and tailoring services).

You make a multiple supply if one or more element is distinct and independent. The following points may indicate that more than one supply is taking place:

- Separate pricing/invoicing.
- Items available separately.
- Time differential between parts of the supply.
- Elements of the supply are not inter-dependent/connected.

6.3 The three possible liability outcomes

There are three possible liability outcomes if zero-rated printed matter is supplied with other items:

- The standard-rated item may be ancillary to, or an integral part of, the supply of zero-rated printed matter. The resulting supply is a single, zero-rated supply. (However, covers, cases and similar articles not separately accounted for are already zero-rated under Item 6 of Group 3, Schedule 8 of the VAT Act 1994.)
- The zero-rated printed matter may be ancillary to, or an integral part of, the supply of the standard-rated item. For example, an instruction booklet provided with a new washing machine. The resulting supply is a single, standard-rated supply.
- There may be a multiple supply, where two or more items are distinct and independent. If the items are sold for a single price and are liable to different rates of VAT you must make an apportionment, (see VAT Notice 700).

6.4 Common examples and problem areas

Sometimes it is easy to identify a multiple supply, as items supplied together can be used independently of each other. Common examples are books issued with films or tapes and children's colouring books issued with felt-tip pens. It is quite possible to use the film or tape independently of the book and, indeed, they need separate equipment to use them. Similarly, a child can use a felt-tip pen on any paper of his/her choice - it is sold with a colouring book as a marketing device.

One particular area that causes problems is children's activity packs. These may contain zero-rated books or booklets and standard-rated items such as jigsaw puzzles or toys. You need to decide whether the omission of any one component part would diminish the pack as a whole. It is not possible to give overall guidelines on these activity packs as each one is different, and must be judged on its own merits.