



ECOFIN decision lowers VAT on digital books

A decision today from ECOFIN (the EU's Economic and Financial Affairs Council) allows member states to reduce their value added tax (VAT) on digital books, which includes streaming and downloading audio books and e-books.

This decision allows Sweden and other member states to reduce VAT-rates from 25% to 6%, which in Sweden puts sales tax in line with the sales tax on paper books. Some countries such as France and Italy have previously ignored EU directives and lowered the VAT on digital books.

Storytel believes chances are good that Sweden will lower its VAT rates on digital books. Among other indicators, Swedish Minister of Finance Magdalena Andersson and Minister of Culture Alice Bah Kuhnke have explained in a co-authored opinion piece in the Swedish daily Dagens Nyheter that they intend to reduce the VAT on digital publications as soon as EU regulations adjust to allow it.

Storytel CEO Jonas Telander comments on the decision, "For nearly ten years, we have worked with the Swedish Guild of Publishers to correct the unjust difference in VAT between digital audiobooks and paper books. Despite the findings of researchers and their statistics regarding the benefits of the audio-book format to the everyday enjoyment of the populace, it has nonetheless been burdened with a 25% VAT-rate, as compared to 6% for books on paper. An adjustment to apply the same VAT to all reading experiences, digital or physical, will benefit both the practise of reading in Sweden, as well promote authorships in digital-formats."

About Storytel

The Storytel group consists of two divisions, Streaming and Publishing. The Streaming division currently offers a subscription service for audio books and e-books under the brand names Storytel and Mofibo in Sweden, Norway, Denmark, Finland, Iceland, The Netherlands, Poland, Russia, Spain, India, the United Arab Emirates, Turkey and Italy. The Streaming division also publishes audio books and Storytel Originals, mainly through the audio-book publisher Storyside. The Publishing division consists of the publishers Norstedts, Massolit, Kontentan, Telegram, the Danish People's Press, Storytel Publishing, Rabén & Sjögren and B. Wahlströms, as well as Norstedts Kartor.