



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Ben Howlett MP
House of Commons
London
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15 FEB 2016

Dear Ben

Thank you for your letter of 11 November to the Prime Minister about VAT on sanitary products. Your letter has been passed to the Treasury and I am replying as Minister responsible for this policy area. I would like to apologise for the delay you have experienced in receiving a response.

As you are aware, it is the Government's view that EU Member States should have full discretion over what rate of VAT they can apply to sanitary protection products.

That is why I have written to the European Commission and other Member States, setting out our strong view that the issue of permitting the zero-rating of sanitary products should be considered in the context of the Commission's Action Plan on VAT initiatives.

I have since followed up on this issue with the European Commission and have received replies from several Member States. I now await replies from the other Member States as well as the publication of the Commission's Action Plan which is expected in March 2016.

At the Autumn Statement on 25 November the Chancellor announced that while the Government makes the case for a zero rate of VAT for sanitary products, a £15 million annual fund (equivalent to the VAT raised each year on sanitary products) will support women's charities. The Government has made initial donations totaling £5 million to support The Eve Appeal, SafeLives and Women's Aid, and The Haven. Further donations and recipients will be announced at Budget 2016. The fund will run over the course of this Parliament, or until the UK can apply a zero rate.

Thank you for taking the trouble to make us aware of your concerns.

Yours
David Gauke

DAVID GAUKE