



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

Dr Carolyn Wilkins OBE
Chief Executive
Oldham MBC
Level 3, Civic Centre
West Street
Oldham
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9 OCT 2018

Your ref: Council - Period Poverty - 20180912

Dear Dr Wilkins,

Thank you for your letter of 17 September 2018 to the Chancellor of the Exchequer about the Oldham Council's discussion of Value Added Tax (VAT) on women's sanitary products. I am replying as Minister with strategic oversight of the UK tax system.

In your letter, you drew attention to period poverty in the UK and asked the Government to remove VAT on women's sanitary products as soon as possible. In response, I would like to reassure you that the Government believes that VAT should not be applied to women's sanitary products and as such, is committed to applying a zero rate of VAT to these supplies as soon as legally possible.

As you may know, the UK's VAT regime exists within a framework set by EU legislation. Within this framework, a standard rate of VAT (set at twenty per cent in the UK) must be applied to most goods and services. Exceptions to this standard rate are limited, but EU Member States may apply a reduced rate of VAT to women's sanitary products. Therefore, the UK applies a five per cent rate of VAT to women's sanitary products, which is the lowest reduced rate permissible under EU law. However, it would be unlawful to apply a zero rate of VAT to women's sanitary products at present, as this would constitute a breach of EU law.

The Government has therefore been actively pursuing the necessary change in the EU and took the initiative in Finance Bill 2016 to introduce legislation to enable a zero rate of VAT for women's sanitary products to take effect as soon as legally possible. In January 2018, the European Commission published a proposal on VAT rates which, if agreed to by Member States in its current form, would provide the UK with the necessary flexibility to apply a zero rate of VAT to women's sanitary products. This remains under discussion in the EU and the Government is committed to engaging constructively with the proposal to achieve this flexibility.

In your letter, you also asked for the Government to use the revenue collected from VAT on women's sanitary products to fund the provision of free sanitary products for women in need. As you may know, until the Government is able to introduce a zero rate of VAT for women's sanitary products, a £15 million annual Tampon Tax Fund has been put in place to support women's charities, providing them with the funds equivalent to the

amount of VAT raised on sanitary products. Approximately £47 million has been awarded since the fund was introduced, with the majority going to frontline charities, including health, wellbeing and education initiatives and support services for vulnerable women. Some of these initiatives, such as the "Let's Talk. Period." project operated by Brook Young People, specifically seek to provide women in need with access to free sanitary products.

Information on the most recent Tampon Tax Fund allocations can be found here:
www.gov.uk/government/news/women-and-girls-set-to-benefit-from-15-million-tampon-tax-fund

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Mel Stride', written in a cursive style.

RT HON MEL STRIDE MP