Tax implications

While this resource cannot dispense and does not constitute formal accountancy or legal advice with respect to taxation, there are several considerations to bear in mind:

- The United Kingdom’s HMRC (the formal tax body) previously advised the Open Library of Humanities (while the UK was still a member of the EU) that membership schemes with no direct benefit to the supporting organization (library) were exempt from VAT because there was no ‘supply’.
- However, because Opening the Future provides subscription access to books, a supply does occur in this model.
- But the supply of e-books is a zero-rated activity for VAT purposes.

It is our belief, therefore, that Opening the Future should be treated as a zero-rated supply activity in regions that charge VAT. Supply of digital goods takes place in the country of the consumer. Hence, if you meet the VAT threshold in the country of supply, you may need to register and account for VAT, although you can charge a zero-rate.

You should verify the above with whatever experts are relevant to you, and in particular if you are operating outside of the UK, you should check what local laws apply to you.

Revision #4
Created 2025-01-15 15:10:31 UTC by Kira Hopkins
Updated 2025-02-06 14:45:38 UTC by Tom Grady