

# VAT price quotations

Advertising Guidance (non-broadcast)

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CAP 

## Foreword

The Committee of Advertising Practice (CAP) offers guidance on the interpretation of the UK Code of Advertising (the CAP Code) in relation to non-broadcast marketing communications.

The Broadcast Committee of Advertising Practice (BCAP) offers guidance on the interpretation of the UK Code of Broadcast Advertising (the BCAP Code) in relation to broadcast marketing communications.

Advertising Guidance is intended to guide advertisers, agencies and media owners how to interpret the Codes but is not a substitute for those Codes. Advertising Guidance reflects CAP's and/or BCAP's intended effect of the Codes but neither constitutes new rules nor binds the ASA Councils in the event of a complaint about an advertisement that follows it.

For pre-publication advice on specific non-broadcast advertisements, consult the CAP Copy Advice team by telephone on 020 7492 2100, by fax on 020 7404 3404 or you can log a written enquiry via our [online request form](#).

For advice on specific radio advertisements, consult the [Radio Centre](#), and for TV advertisements, [Clearcast](#).

For the full list of Advertising Guidance, please [visit our website](#).

Regular CAP Help Notes offer guidance for non-broadcast marketing communications under The UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (the CAP Code). For advice on the rules for TV or radio commercials, contact Clearcast [www.clearcast.co.uk](http://www.clearcast.co.uk) for TV ads or the Radio Centre [www.radiocentre.org](http://www.radiocentre.org) for radio ads.

These guidelines, drawn up by the Copy Advice team, are intended to help marketers, agencies and media interpret the rules in The UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing as far as they relate to the subject discussed. They are based on previous ASA cases and neither constitute new rules nor bind the ASA Council in the event of a complaint about a marketing communication that follows them.

## The Code states:

- 3.18** “Quoted prices must include non-optional taxes, duties, fees and charges that apply to all or most buyers. However, VAT-exclusive prices may be given if all those to whom the price claim is clearly addressed pay no VAT or can recover VAT. Such VAT-exclusive prices must be accompanied by a prominent statement of the amount or rate of VAT payable”; and
- 3.19** “If a tax, duty, fee or charge cannot be calculated in advance, for example, because it depends on the consumer’s circumstances, the marketing communication must make clear that it is excluded from the advertised price and state how it is calculated.”

## The Copy Advice team offers the following advice:

Marketers should ensure that their marketing communications clearly address their price claims to the appropriate audience. Unless stated otherwise, readers are likely to infer that quoted prices are inclusive of VAT.

Marketers may make VAT-exclusive claims if they clearly address their price claims to a business audience. For example, a marketing communication could state “business price £X”. It may also be clear from the context of the marketing communication that it addresses business consumers, such as a website called “Businessproducts.co.uk”.

Marketers may include both VAT-inclusive and VAT-exclusive price claims in a marketing communication provided they are clearly addressed to the appropriate audience. For example, a marketing communication may display both a VAT-inclusive and a VAT-exclusive price if the VAT-inclusive price is described as a “consumer price” and the VAT-exclusive price is described as a “trade price” or “business price”.

Alternatively, a marketer may be able to determine, before giving any prices, whether the potential customer is a consumer or a business customer, for example by asking a visitor to a website to select whether they are a business or a consumer, and ensure that potential customers see only those prices that apply to them.

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