



21<sup>st</sup> April 2011

Philip Groves  
Postcomm  
Hercules House  
6 Hercules Road  
LONDON  
SE1 7DB

Simon Oates  
Director of Regulatory Strategy  
100 Victoria Embankment,  
London,  
EC4Y 0HQ  
[simon.oates@royalmail.com](mailto:simon.oates@royalmail.com)

Copied for information to:

Nigel Woods & Natasha Dare  
Consumer Focus  
4<sup>th</sup> floor, Artillery House  
Artillery Row  
LONDON  
SW1P 1RT

**CONDITION 7 NOTIFICATION:  
VAT on Postal Services**

Dear Phillip,

I am writing to formally notify you, under Condition 7 of Royal Mail's Licence, of Value Added Tax (VAT) related changes that will take effect on 1<sup>st</sup> August 2011.

Following the Postcomm decision that bulk packet services, sold on account, for items weighing >1kg will be removed from the price control on 31<sup>st</sup> July 2011 certain services will become liable for VAT.

From 1<sup>st</sup> August 2011 VAT will be charged at the standard prevailing rate, currently 20%, on the following products:

- Mailsort<sup>®</sup> 1400 3
- Presstream<sup>®</sup> (all variants)
- Packetpost<sup>™</sup> and Packetsort<sup>™</sup> (all variants)
- Recorded Signed For<sup>®</sup> when added to one of the above products<sup>1</sup>

A copy of this letter has been sent to Consumer Focus and will be published on Royal Mail's website within four working days. Further information will be posted on 28<sup>th</sup> April 2011 on [Royal Mail's website](#) and a letter will be sent to customers affected.

Yours sincerely,

Simon Oates  
Director of Regulatory Strategy

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<sup>1</sup> Statement added on 1st July in order to clarify HMRC rules.