

EN  
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Answer given by Mr Hoekstra  
on behalf of the European Commission  
(16.7.2026)

Category (3) of Annex III of Council Directive 2006/112/EC allows Member States to apply a reduced value added tax (VAT) rate to ‘pharmaceutical products used for medical and veterinary purposes, including products used for contraception and female sanitary protection, and absorbent hygiene products’<sup>1</sup>.

When the Council of the EU adopted the major reform of VAT rates in 2022<sup>2</sup>, Member States already discussed this matter thoroughly and unanimously agreed to make only minor changes to its wording. These modifications do not extend the category to products that are not to be considered pharmaceuticals.

It should also be recalled that reduced VAT rates usually have little impact on prices due to the low pass-through effect. This is because shops are not legally required to pass on any VAT savings to their customers by reducing their prices.

The 2022 VAT rates reform was the result of hard-fought political compromise. Considering the political sensitivity of the issue, the Commission does not intend to propose new amendments in this area.

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<sup>1</sup> Category (3) of Annex III of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006) - the VAT Directive.

<sup>2</sup> Council Directive (EU) 2022/542 of 5 April 2022 amending Directives 2006/112/EC and (EU) 2020/285 as regards rates of value added tax, OJ L 107, 6.4.2022, p. 1.