

Student Services

Conference Office

Guidelines

VAT Exemption for Eligible Bodies

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Guidelines for VAT Exemption

Introduction This Guide is intended for use by the University of Sussex Conference Office to determine if an Organisation using Conference services or facilities is exempt from VAT and will therefore need to certify they are an Eligible Body.

General Principles: The Law The Exemption for Education: The University does not add Value Added Tax (VAT) to the fees it charges for education. Under the Law,¹ these are exempt from VAT.

Eligible Body The University is an eligible body. It is exempt from charging VAT on the education and closely related goods and services it supplies to its students.

Exempt Supplies Fees for education are exempt. Charges for other goods and services that are **closely related** to the supply of education are also exempt. Thus, for example, Catering and Accommodation are exempt when:

- Provided directly for students **and**
- Necessary for delivering education to the students

Taxable Supplies In general, all **other** goods and services supplied by the University are taxable at the standard rate.

Exceptions: when VAT is not charged VAT is **not** charged when one eligible body (e.g. The University) provides:

- The students of another eligible body with education or closely related goods or services
- Conference facilities to another **eligible body** if the conference organisers are using the facilities to provide education and closely related goods and services to its students/ conference delegates

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¹ The VAT Act 1994, Schedule 9 – Exemption: Group 6 – Education

Guidelines for VAT Exemption, Continued

Applying the rules to Conferences

Conferences are a place where supplies of education and vocational training are commonly made. This is recognised by Customs and Excise². Therefore, conferences **may** be exempt

Other eligible bodies defined

Other eligible bodies include:

- Colleges, UK universities
- Charities that are precluded from distributing profits **and** apply any profit made from the provision of education, etc. to a continued or improved service

See pages 4-7 for an extract from The VAT Act 1994 which provides the exact definition.

Proof of eligible body status

VAT will always be charged for a conference, unless the organisation can prove and verifies they are an eligible body **and** the supplies they are receiving from the University are being used directly by its students or trainees.

Incidental Supplies to Exempt Education Providers Form

The conference organisation must provide certification that their conference event meets the criteria set out in the VAT Act 1994. To ensure compliance it is a University of Sussex requirement that the conference organiser complete an Incidental Supplies to Exempt Education Providers Form. This must be provided for each conference event to ensure all events meet the criteria. See page 8 for a blank example form.

Where to go for help

Queries may be directed to the Finance Manager, Student Services, telephone 01273 873935 or e-mail A.M.Goodchild@sussex.ac.uk.

More detailed information can be found at:

- www.hmce.gov.uk/forms/notices/701-30.htm
 - www.hmso.gov.uk – The Vat Act 1994
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² Notice 701/30 Education and Vocational Training (January 2002)

Guidelines for VAT Exemption, Continued

Extracts from The VAT Act 1994

17.1 Schedule 9 - Exemption: Group 6 – Education

(as amended by The VAT [Education] [No 2] Order 1994)

Item No

1 The provision by an eligible body of -

- (a) education;
- (b) research, where supplied to an eligible body; or
- (c) vocational training.

2 The supply of private tuition, in a subject ordinarily taught in a school or university, by an individual teacher acting independently of an employer.

3 The provision of examination services -

- (a) by or to an eligible body; or
- (b) to a person receiving education or vocational training which is-
 - (i) exempt by virtue of items 1, 2, 5 or 5A; or
 - (ii) provided otherwise than in the course or furtherance of a business.

4 The supply of any goods or services (other than examination services) which are closely related to a supply of a description falling within item 1 (the principal supply) by or to the eligible body making the principal supply provided -

- (a) the goods or services are for the direct use of the pupil, student or trainee (as the case may be) receiving the principal supply; and
- (b) where the supply is to the eligible body making the principal supply, it is made by another eligible body.

5 The provision of vocational training, and the supply of any goods or services essential thereto by the person providing the vocational training, to the extent that the consideration payable is ultimately a charge to funds provided pursuant to arrangements made under section 2 of the Employment and Training Act 1973, section 1A of the Employment and Training Act (Northern Ireland) 1950 or section 2 of the Enterprise and New Towns (Scotland) Act 1990.

5A The provision of education or vocational training and the supply, by the person providing that education or training, of any goods or services essential to that provision, to the extent that the consideration payable is ultimately a charge to funds provided by the Learning and Skills Council for England or the National Council for Education and Training for Wales under Part I or Part II of the Learning and Skills Act 2000.

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Guidelines for VAT Exemption, Continued

Extracts from The VAT Act 1994

Notes:

(1) For the purposes of this Group an "eligible body" is -

(a) a school within the meaning of The Education Act 1996, the Education (Scotland) Act 1980, the Education and Libraries (Northern Ireland) Order 1986 or the Education Reform (Northern Ireland) Order 1989, which is -

(i) provisionally or finally registered or deemed to be registered as a school within the meaning of the aforesaid legislation in a register of independent schools; or

(ii) a school in respect of which grants are made by the Secretary of State to the proprietor or managers; or

(iii) a community, foundation or voluntary school within the meaning of the School Standards and Framework Act 1998, a special school within the meaning of section 337 of the Education Act 1996 or a maintained school within the meaning of the Education and Libraries (Northern Ireland) Order 1986; or

(iv) a public school within the meaning of section 135(1) of the Education (Scotland) Act 1980; or

(v) *omitted*

(vi) a self-governing school within the meaning of section 1(3) of the Self-Governing Schools (Scotland) Act 1989; or

(vii) *omitted*

(viii) a grant-maintained integrated school within the meaning of Article 65 of the Education Reform (Northern Ireland) Order 1989;

(b) a United Kingdom university, and any college, institution, school or hall of such a university;

(c) an institution -

(i) falling within section 91(3)(a) or (b) or section 91(5)(b) or (c) of the Further and Higher Education Act 1992; or

(ii) which is a designated institution as defined in section 44(2) of the Further and Higher Education (Scotland) Act 1992; or

(iii) managed by a board of management as defined in section 36(1) of the Further and Higher Education (Scotland) Act 1992; or

(iv) to which grants are paid by the Department of Education for Northern Ireland under Article 66(2) of the Education and Libraries (Northern Ireland) Order 1986;

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Guidelines for VAT Exemption, Continued

Extracts from The VAT Act 1994

(d) a public body of a description in Note (5) to Group 7 below;

(e) a body which -

(i) is precluded from distributing and does not distribute any profit it makes; and

(ii) applies any profits made from supplies of a description within this Group to the continuance or improvement of such supplies.

(f) a body not falling within paragraphs (a) to (e) above which provides the teaching of English as a foreign language.

(2) A supply by a body, which is an eligible body only by virtue of falling within Note (1)(f), shall not fall within this Group insofar as it consists of the provision of anything other than the teaching of English as a foreign language.

(3) "Vocational training" means -

training, re-training or the provision of work experience for -

(a) any trade, profession or employment; or

(b) any voluntary work connected with -

(i) education, health, safety, or welfare; or

(ii) the carrying out of activities of a charitable nature.

(4) "Examination services" include the setting and marking of examinations, the setting of educational or training standards, the making of assessments and other services provided with a view to ensuring educational and training standards are maintained.

(5) For the purposes of item 5 a supply of any goods or services shall not be taken to be essential to the provision of vocational training unless the goods or services in question are provided directly to the trainee.

(5A) For the purposes of item 5A a supply of any goods or services shall not be taken to be essential to the provision of education or vocational training unless -

(a) in the case of the provision of education, the goods and services are provided directly to the person receiving the education;

(b) in the case of the provision of vocational training, the goods or services are provided directly to the person receiving the training.

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**Extracts
from The
VAT Act
1994**

**17.2 Schedule 9 - Exemption: Extract from Group
7 - Health and Welfare**

Item No

9. The supply, otherwise than for profit, by a charity or public body of welfare services and of goods supplied in connection therewith.

Notes:

(5) In item 9 "public body" means -

(a) a Government department within the meaning of section 41(6);

(b) a local authority;

(c) a body which acts under any enactment or instrument for public purposes and not for its own profit and which performs functions similar to those of a Government department or local authority

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INCIDENTAL SUPPLIES TO EXEMPT EDUCATION PROVIDERS

(VAT Act 1994, Schedule 9, Group 6, Item 4, Note 5(b))

I (full name)

(status/job title)

being an authorised officer

of (organisation)

of (address)

declare that the above-named organisation is:-

- (a) a provider of exempt education, training or re-training, and**
- (b) is receiving incidental supplies from the University of Sussex in respect of the education/training event shown below, and**
- (c) those supplies are being directly used by students or trainees of the above-named organisation, as provided for in note 5(b) to Item 4, Group 6 of the exemption schedule.**

I claim that the incidental supplies received from the University of Sussex are exempt as provided for under Group 6 of the Exemption Schedule to the Value Added Tax Act 1994.*

Details of education/training event:

Signature:

Date:

** Please note that exemption is NOT available on:-*

- (i) Supplies of alcoholic drink etc.*
- (ii) Supplies to any persons other than students or trainees of the organisation. Tutors on the course or staff administering the function, for example, are not eligible for VAT exemption unless they are also receiving education or training.*

Details of these individuals should be notified separately by the organiser.

Date of issue:
