

তারিখ... 11 SEP 2015
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Pvt univs to pay VAT; not students: Muhith, NBR

Staff Correspondent

THE finance minister Abul Maal Abdul Muhith on Thursday said the authorities of private university will have to pay the value added tax imposed on the tuition fees of private universities.

"The VAT will not be withdrawn in any form. It is the private university authorities who will pay it, not the students. The private university authorities will not be allowed to raise tuition fees of the students," Muhith said while speaking to journalists at the Sylhet Circuit House.

Earlier, the National Board of Revenue in a

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Pvt univs

Continued from page 1. statement said the authorities of private universities, not the students, will have to pay 7.5 per cent VAT imposed on the tuition fees of private universities.

Association of Non-Government Universities of Bangladesh president Sheikh Kabir Hossain rejected outright the NBR decision terming it 'illogical' and said 'what NBR is saying is beyond my understanding. How will the authorities of private universities pay VAT? Will they pay it from their own pockets? VAT will automatically fall on students'.

NBR, the central authority of the tax administration in Bangladesh, issued a statement regarding 7.5 per cent VAT, and within hours, hundreds of private university students on Thursday blocked at least four important roads of Dhaka demanding cancellation 7.5 percent VAT, straining city life for the whole day.

"It is a private university authorities' responsibility to pay the VAT, not of the students. VAT is included in the current tuition fee," said a NBR statement issued on the day.

VAT was not imposed to realise it from students. There is no scope to increase tuition fees after imposing VAT, said the statement.

The proposal for 10 per cent VAT on tuition fees of private universities and medical colleges was later lowered to 7.5 per cent following agitation of students in June when parliament adopted the finance bill for the new fiscal year.

The High Court in August issued a rule asking why the decision to impose a 7.5 percent VAT on the tuition fees of private universities and medical and engineering colleges should not be declared illegal.

The Awami League-led government in 2010 had imposed a 4.5 per cent VAT on private universities but was forced to backtrack from the decision within a month following demonstration by students.

There are over 4.6 lakh students at 83 private universities, according to the UGC.