

## VAT from private universities

### Students should be spared

**S**OME eminent citizens over a BBC programme have urged the government to lift VAT from private universities. The private universities, according to the relevant Act, are supposed to be run on a non-profit basis. VAT is usually imposed on profits, so that normally the question of levying VAT on them should not have arisen.

But then 7.5 percent VAT has been imposed on private universities. Our position is that the universities should not pass the burden on to the students because the latter are having to pay high fees already. The Law Minister in the BBC Sanglap has reportedly stated that the government does not want the universities to take VAT from students. But he has made the removal of VAT apparently conditional upon the universities raising their fees and claiming VAT from the students. We wonder if this will solve the problem.

First of all the question of raising fees from institutions required to function non-profitably is contradictory. Then the fees in most cases are already at a high notch, so that raising it further will be burdensome for the students. In any case, the point we would like reiterate is that under no circumstances should the incidence of VAT fall on the students.

Overall, it can hardly be overemphasised that most of the private universities are making a salutary contribution in imparting higher education to a large number of students in a context where the public universities could not have accommodated them.