

VAT on tuition fees at English medium schools reinstated

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STUDENTS of English medium schools would need to pay 7.5 per cent Value Added Tax on their tuition fees again as the Appellate Division on Wednesday stayed a High Court order that had stayed a government order introducing the VAT in 2010.

The realisation of VAT was suspended after the High Court on September 17 stayed the government order.

On September 14, week-long street protests by students of private universities forced the government to withdraw 7.5 per cent VAT on their tuition fees introduced by the National Board of Revenue.

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In such backdrop, students of English medium schools and their parents took to the streets for of withdrawal of VAT on their tuition fees.

The High Court bench of Justice Shamim Hasnain and Justice Mohammad Ullah stayed collection of VAT from the students of English medium schools and asked the government to explain in four weeks the legality of its decision of imposing VAT on the students.

The court had passed the order after hearing a writ petition filed by two guardians.

Appearing for the petitioners, Shahdeen Malik had argued that guardians were being forced to pay 7.5 per cent VAT on tuitions fees of their children.

He said that the decision was discriminatory, arbitrary and in direct contradiction to the constitution and the education policy of the government.

The Supreme Court vacation judge-in chamber Justice Syed Mahmud Hossain stayed for eight weeks the High Court order and asked the government to file regular petition seeking permission to appeal against the High Court order in eight weeks.

The vacation court passed the order after hearing a provisional petition filed on September 20 by the revenue board against the High Court order.

Deputy attorney general SM Moniruzzaman argued that the High Court could not abruptly stop the collection of the VAT continued since 2010.

The VAT was imposed by the revenue board's circular as part of the government's decision of introduction of VAT at all sphere from in 1991, he added.

On April 23, 2014, the High Court also prohibited collection of readmission fees from students every year and directed the government to formulate a guideline on fees to be collected by the English medium schools.

Following appeals of several English medium schools, the Supreme Court had stayed the High Court order.

Some of English medium schools had raised tuition fees by up to 80 per cent to make up for the readmission fees, alleged parents.

Allegations also have it that some of them are also collecting the annual readmission fees in another name.

On 20, 2012, the High Court asked the government to explain legality of collection of VAT on tuition fees at schools.