

# Reconsider VAT

*Private universities urge govt; Muhith says students do not need to pay VAT this year but may have to in future; students continue demonstration*

STAFF CORRESPONDENT

A day after a massive protest by private university students, the university authorities yesterday called upon the government to reconsider the move to slap 7.5 percent VAT on "tuition fees".

At a press conference in the capital's Gulshan Club, leaders of the Association of Private Universities of Bangladesh (APUB) said they now left the ball in the govern-

ment's court.

"We request the government to reconsider the matter. We also hope that the prime minister would give it [the VAT decision] a second thought," said APUB President Sheikh Kabir Hossain.

Finance Minister AMA Muhith, however, said yesterday that the VAT would be in place, reports UNB.

SEE PAGE 11 COL 1

# Reconsider VAT

FROM PAGE 1

The private university students do not need to pay additional VAT this year, he said to reporters after Bangladesh Business Awards ceremony organised by DHL and The Daily Star at a city hotel.

"What I think is... this time nobody is going to be charged [the VAT]. They [universities] will pay it from what [tuition fees] have already been collected."

Muhith said the university authorities have already agreed to it.

Asked whether the VAT is going to be imposed on students in future, Muhith said it would be considered in the coming days, the UNB reports.

Meanwhile, two groups of private university students yesterday announced separate programmes demanding withdrawal of the VAT.

One group announced that it would enforce a three-day strike from today at all private educational institutions across the country, while the other said they would stage indefinite sit-ins on university campuses from tomorrow.

Thousands of students staged daylong protests blocking major roads in Dhaka and elsewhere in the country on Thursday protesting the government move.

Issuing a circular on the same day, the National Board of Revenue (NBR) said the VAT was payable by the private university authorities, not by the students.

Criticising the circular, APUB chief Kabir yesterday said the NBR should have thought about it well before issuing the notice.

Since the universities are run by trustee boards, no tax or VAT is applicable for them, he claimed.

"Now the government will consider whether the trustee boards should pay the VAT. How could the trustee boards pay the VAT when they are not con-

sumers?" questioned Kabir, pointing to the fact that value-added tax is actually paid by the end users.

The government would need to revise the private university act if it wants the universities to pay the VAT, he noted, adding that no VAT was imposed on students.

## FRESH PROGRAMMES

Private university students were apparently divided over their next course of actions.

The first group under the banner of "Private University Students' Welfare Association" in a press conference in the city said they were retreating from the movement.

However, Stamford University students under the banner of "No VAT on Education" declared the three-day strike at all private educational institutions across the country.

"The government must withdraw the VAT on tuition fees immediately," said Jyotirmoy Chakraborty on behalf of the platform at a press briefing on Stamford University's Dhanmondi campus.

At another press conference in the city's Aftab Nagar, Salauddin Mithu of East West University said they would stage indefinite sit-ins on private university campuses across the country from tomorrow.

"The government is saying that the university authorities, not the students, will have to pay the VAT on tuition fees. We are rejecting the government's proposal."

The students will continue the movement until all kinds of VAT on education are lifted, he said.

Salauddin blamed the police for the Wednesday's attack on students in the capital and demanded punishment for the law enforcers responsible.

## EDUCATIONISTS OPPOSE VAT

Prof Syed Manzoorul Islam of Dhaka

University said imposing VAT on tuition fees is completely illogical and contradictory to the government's policies.

"It goes against the philosophy of the National Education Policy that considers education as a right of people, not a product. But here [by levying VAT] it is being regarded as a product."

The government, the renowned litterateur noted, is also saying that private universities are non-profitable organisations. "So how could it impose VAT on private universities if it considers them non-profitable?"

If the government thinks that private universities are making huge money, it should bring them under the tax net, he argued.

A lot of students from lower- and middle-income families attend private universities, said the academician. "They [the parents] are already spending a huge sum of money. For them, it would be the last straw that breaks the camel's back if they have to pay the VAT."

Prof Nazrul Islam, former chairman of the University Grants Commission, echoed the views of Manzoorul.

"It's not like that only children from affluent families enrol in private universities. There are many students from middle-income families too," he said.

"These students are already overburdened with tuition and other fees. If the VAT is imposed on them, it will only add to the burden."

Nazrul feared that even if the students were primarily exempted from paying the VAT, the universities might just hike other fees on some pretext to cover the VAT money they would pay to the government.

The government in 2010 had imposed a 4.5 percent VAT on the students' tuition fees, which triggered a similar uproar. As they took to the streets, the government withdrew its decision.