

New VAT policy statement on education exemption

On February 11, 2025 a new version of the VAT education policy statement was published. The policy statement deals with the VAT treatment of education and the conditions under which education is exempt from VAT. In this website post we discuss the main changes in this policy statement compared to the previous version.

1. Providing public education not regarded as government action

The new version contains a confirmation of the already familiar practical policy that educational institutions governed by public law, such as certain universities, do not perform a government task for their education, despite the task assigned to them by law. This stems from a judgment rendered by the Dutch Supreme Court in 2020, because the education is performed under the same legal conditions as for educational institutions that are not institutions governed by public law.

For the VAT treatment of the education itself, it makes no difference whether or not there is government action. In both cases, no VAT is levied. However, there may be a difference in the right to recover VAT, because the calculation method used for the performance of non-economic government actions differs from that used for economic, but VAT-exempt actions. In the latter case, a more favorable calculation of the VAT recovery right for general institutional costs can usually be applied.

If you haven't yet adjusted the calculations to this, we recommend you contact us.

2. Education by international, foreign and embassy schools

The Dutch Inspectorate of Education often does not have the authority to monitor the mainstream education provided by international, foreign and embassy schools based in the Netherlands. This means that the conditions for applying the education exemption are not met, because there must be legally regulated education. The Ministry of Finance considers this undesirable and therefore has approved that such schools may apply the exemption. This is subject to the condition that the institution is monitored by a foreign authority or a recognized, international accreditation organization as referred to in the International and Foreign Schools Designation Regulation (VO/BVB/143738).

Moreover, foreign educational institutions without a branch in the Netherlands can register with the CRKBO so that they can offer VAT-exempt vocational education in the Netherlands.

3. Scope of VAT exemption holding exams for admission to or completion of education

Subject to conditions, the holding of exams for admission to or the completion of VAT-exempt education may also be exempt from VAT as a separate service. The exams do not have to be given by the same educational institution that educates the exam candidate. In response to a judgment rendered by the Dutch Supreme Court in 2021, the new version of the policy statement now states that the exemption only applies if the VAT taxable person performing the examination service also qualifies as a recognized educational institution for VAT purposes. In the professional literature and in case law questions have been raised as to whether the Supreme Court judgment must be interpreted more broadly and whether it also applies to other forms of designated education. For the time being, the policy statement limits the scope to examination services (see also under 5 below).

In response to the same judgment it has also been clarified that 'examination services' includes acts that are *necessary for* holding exams or organizing them (for example designing, preparing or assessing exams). The exemption only applies if the relevant VAT taxable person qualifies as an educational institution (as referred to in the Dutch VAT Act).

4. Should offering courses online be regarded as education?

Education is only eligible for the VAT exemption if there is a transfer of knowledge and/or skills from teacher to pupil. Following a previous Knowledge Group position of the Dutch tax authorities, the policy statement explains what this means for education that is offered electronically, online or remotely. This education may be regarded as qualifying education if a pupil has the option to consult a teacher before, during or after a teaching session (either directly or via the educational institution).

5. Treatment of mainstream curriculum provided by external parties

The policy statement includes as a new paragraph that the services of externally engaged self-employed persons or organizations providing activities that are part of the mainstream education curriculum may also be regarded as VAT-exempt (by law or designated as such) education. In addition to organizational aspects, these services must also include activities that qualify as the provision of education.

Although to substantiate this paragraph only a 10-year old Court of Appeals judgment is referred to, we believe that this (tacitly) repairs the undesirable consequences of a judgment rendered by the Court of Appeals Den Bosch on July 10, 2024, no. 22/1466. Incidentally, that judgment is being appealed in cassation.

6. In conclusion

The new policy statement also contains some changes in detail. For example, it has been clarified that sign language education may also be regarded as language education and that certain thesis supervision may be regarded as VAT-exempt tutoring.

If you have any questions regarding this post, feel free to contact your own Meijburg advisor or one of Meijburg's education specialists.

KPMG Meijburg & Co
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