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STATUTORY INSTRUMENTS

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**1994 No. 1188**

**VALUE ADDED TAX**

**The Value Added Tax (Education) Order 1994**

*Approved by the House of Commons*

<i>Made</i>	- - - -	<i>27th April 1994</i>
<i>Laid before the House of Commons</i>	- - - -	<i>28th April 1994</i>
<i>Coming into force</i>	- -	<i>1st August 1994</i>

The Treasury, in exercise of the powers conferred on them by sections 17(2) and 48(6) of the Value Added Tax Act 1983(1) and of all other powers enabling them in that behalf, hereby make the following Order—

1. This Order may be cited as the Value Added Tax (Education) Order 1994 and shall come into force on 1st August 1994.

2. For Group 6 (Education) of Schedule 6 to the Value Added Tax Act 1983(2) there shall be substituted—

**“GROUP 6  
—EDUCATION**

Item No.

1. The provision by an eligible body of—
  - (a) education;
  - (b) research, where supplied to an eligible body; or
  - (c) vocational training.
2. The supply of private tuition, in a subject ordinarily taught in a school or university, by an individual teacher acting independently of an employer.
3. The provision of examination services—
  - (a) by or to an eligible body; or
  - (b) to a person receiving education or vocational training which is—

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(1) 1983 c. 55.

(2) Group 6 was varied by S.I. 1987/1259, 1988/1282, 1989/267, 1993/763 and 1993/1124.

- (i) exempt by virtue of items 1, 2 or 5; or
  - (ii) provided otherwise than in the course or furtherance of a business.
4. The supply of any goods or services (other than examination services) which are closely related to a supply of a description falling within item 1 (the principal supply) by or to the eligible body making the principal supply provided—
- (a) the goods or services are for the direct use of the pupil, student or trainee (as the case may be) receiving the principal supply; and
  - (b) where the supply is to the eligible body making the principal supply, it is made by another eligible body.
5. The provision of vocational training, and the supply of any goods or services essential thereto by the person providing the vocational training, to the extent that the consideration payable is ultimately a charge to funds provided pursuant to arrangements made under section 2 of the Employment and Training Act 1973(3), section 1A of the Employment and Training Act (Northern Ireland) 1950(4) or section 2 of the Enterprise and New Towns (Scotland) Act 1990(5).
6. The provision of facilities by—
- (a) a youth club or an association of youth clubs to its members; or
  - (b) an association of youth clubs to members of a youth club which is a member of that association.

## Notes:

- (1) For the purposes of this Group an “eligible body” is—
- (a) a school within the meaning of the Education Acts 1944 to 1993(6), the Education (Scotland) Act 1980(7), the Education and Libraries (Northern Ireland) Order 1986(8) or the Education Reform (Northern Ireland) Order 1989(9), which is—
    - (i) provisionally or finally registered or deemed to be registered as a school within the meaning of the aforesaid legislation in a register of independent schools; or
    - (ii) a school in respect of which grants are made by the Secretary of State to the proprietor or managers; or
    - (iii) a maintained school within the meaning of the Education Act 1993(10) or the Education and Libraries (Northern Ireland) Order 1986; or
    - (iv) a public school within the meaning of section 135(1) of the Education (Scotland) Act 1980(11); or
    - (v) a grant-maintained school within the meaning of section 22 of the Education Act 1993; or

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(3) 1973 c. 50; section 2 was substituted by section 25 of the Employment Act 1988 (c. 19).

(4) 1950 c. 29 (N.I.); section 1A was inserted by Article 24 of the Industrial Relations (Northern Ireland) Order 1987 (S.I. 1987/936 (N.I.9) and amended by Article 3 of the Employment and Training (Amendment) (Northern Ireland) Order 1988 (S.I. 1988/1087) (N.I.10)).

(5) 1990 c. 35.

(6) 1993 c. 35; for definition of school see section 14(5) of the Further and Higher Education Act 1992 (1992 c. 13).

(7) 1980 c. 44.

(8) S.I. 1986/594 (N.I.3).

(9) S.I. 1989/2406 (N.I.20).

(10) 1993 c. 35.

(11) 1980 c. 44.

- (vi) a self-governing school within the meaning of section 1(3) of the Self-Governing Schools (Scotland) Act 1989<sup>(12)</sup>
  - (vii) a grant-maintained special school within the meaning of section 182(3) of the Education Act 1993; or
  - (viii) a grant-maintained integrated school within the meaning of Article 65 of the Education Reform (Northern Ireland) Order 1989<sup>(13)</sup>;
  - (b) a United Kingdom university, and any college, institution, school or hall of such a university;
  - (c) an institution—
    - (i) falling within section 91(3)(a) or (b) or section 91(5)(b) or (c) of the Further and Higher Education Act 1992<sup>(14)</sup>; or
    - (ii) which is a designated institution as defined in section 44(2) of the Further and Higher Education (Scotland) Act 1992<sup>(15)</sup>; or
    - (iii) managed by a board of management as defined in section 36(1) of the Further and Higher Education (Scotland) Act 1992; or
    - (iv) to which grants are paid by the Department of Education for Northern Ireland under Article 66(2) of the Education and Libraries (Northern Ireland) Order 1986<sup>(16)</sup>;
  - (d) a public body of a description in Note (5) of Group 7 of Schedule 6 to this Act;
  - (e) a body recognised under the British Council Recognition Scheme for the teaching of English as a foreign language.
  - (f) a body not falling within paragraphs (a) to (e) above which—
    - (i) is precluded from distributing and does not distribute any profit it makes; and
    - (ii) applies any profits made from supplies of a description within this Group to the continuance or improvement of such supplies.
- (2) A supply by a body, which is an eligible body only by virtue of falling within Note (1)(e), shall not fall within this Group insofar as it consists of the provision of anything other than the teaching of English as a foreign language.
- (3) “Vocational training” means training or re-training for—
  - (a) any trade, profession or employment; or
  - (b) any voluntary work connected with—
    - (i) education, health, safety, or welfare; or
    - (ii) the carrying out of activities of a charitable nature; and
  - (c) for the purposes of item 5, includes the provision of work experience.
- (4) “Examination services” include the setting and marking of examinations, the setting of educational or training standards, the making of assessments and other services provided with a view to ensuring educational and training standards are maintained.

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<sup>(12)</sup> 1989 c. 39.

<sup>(13)</sup> S.I. 1989/2406 (N.I.20).

<sup>(14)</sup> 1992 c. 13.

<sup>(15)</sup> 1992 c. 37.

<sup>(16)</sup> S.I. 1986/594 (N.I.3).

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*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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(5) For the purposes of item 5 a supply of any goods or services shall not be taken to be essential to the provision of vocational training unless the goods or services in question are provided directly to the trainee.

(6) For the purposes of item 6 a club is a “youth club” if—

- (a) it is established to promote the social, physical, educational or spiritual development of its members;
- (b) its members are mainly under twenty-one years of age; and
- (c) it satisfies the requirements of Note (1)(f)(i) and (ii).”.

*Nicholas Baker*

*Irvine Patnick*

Two of the Lords Commissioners of Her  
Majesty’s Treasury

27 April 1994

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order, which comes into force on 1 August 1994, substitutes a new Group 6 of Schedule 6 to the Value Added Tax Act 1983. Under this Order the exemption for education, research and training is redefined so that eligibility for exemption is no longer determined by the subject matter or profitability of individual courses. Instead, exemption is largely dependent on the type of body providing the education, training or research.

In the new Group 6, item 1 provides exemption for education and vocational training when provided by an eligible body, and for research when provided by an eligible body to another eligible body. The term “eligible body” is defined in Note (1). Notes (1)(e) and (2) provide exemption for certain commercial providers of English as a foreign language training but only to the extent that they provide such training. Note (3) defines what supplies are covered by the term “vocational training”.

Item 2 provides exemption for private tuition.

Item 3 provides exemption for examination services supplied by or to an eligible body or in connection with the supply of education or vocational training provided by a body or person whose supplies are exempt under items 1, 2 or 5. “Examination services” are defined in Note (4).

Item 4 provides exemption for supplies of goods and services, other than examination services covered by item 3, which are closely related to a supply of education or vocational training falling within item 1.

Item 5 provides exemption for supplies of vocational training made under a government-funded training scheme. Where such schemes are only partly funded by government, exemption applies only to the extent of that funding. Note (3) provides that for the purposes of item 5 “vocational training” also includes the provision of work experience.

Item 6 provides exemption for the supply of facilities by a youth club, or an association of youth clubs to its members, and Note (6) defines the term “youth club”.