EXAM & VAT

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VAT

- EU Directives on VAT
- VAT = interpretation
- Differences from country to country
How VAT works B2C

• General principle - supplier liable to account for VAT and payment to tax authorities

Invoice: Net €100
VAT: €21
Pays: €121

Customer no VAT n°

Supplier

Output VAT €21
Input VAT €0
Result €21

VAT return

Tax Office
How VAT works B2B

- General principle - supplier liable to account for VAT and payment to tax authorities (within the country)

Invoice: Net €100
VAT: €21

Pays: €121

Customer

Supplier

VAT return
Output VAT €21
Input VAT €0
Result €21

VAT return
Output VAT €0
Input VAT €21
Result (€21)

Tax Office

€21

€21
Reverse charge mechanism B2B

- Exception - liability to account for VAT shifted to the customer

**Invoice:** €100
**Payment:** €100

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**Supplier**

**Customer**

**VAT return**

Output VAT: €0
Input VAT: €0
Result: NIL

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**Tax Office**

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**VAT return**

Output VAT: €21
Input VAT: (€21)
Result: NIL
EXAM

• Exempted of VAT?

• If NOT which VAT?
Exemption?

Directive 2006/112
Exemptions
Chapter 2
Article 132 i
Exemptions for certain activities in the public interest – Article 132i

i. The provision of children’s or young people’s education, school or university education, vocational training or retraining, including the supply of services and of goods closely related thereto, by bodies governed by public law having such as their aim of by other organisations recognised by the Member State concerned as having similar objects.

EXEMPTION?

• EXAM is not a training or education
• EXAM is a service closely related to training and education
• EXAM only for registered specialists and specialists in training
• EXAM is part of the education in the countries where it is mandatory
• ESA is a recognised organisation providing training and education as the congress fee is VAT exempted based on article 132i
EXEMPTION

Therefore
EXAM should be VAT Exempted

= Interpretation of the Directive
VAT LIABLE

• VAT from the country of the supplier B2C

• VAT from country of the Supplier B2B within the country

• VAT reverse charge B2B
E-Learning & VAT

Is e-Learning considered as training or education as foreseen under article 132i?

Yes, if there would be interaction with a teacher. The software is used for communication between the teacher and the student.

No, without personal interaction and having everything automated the e-learning programme is for self-assessment and self-studying and therefore VAT liable.
Exemption?

• E-learning programme with interaction between the teacher and the student
• Software is communication tool between teacher and student
• Only for registered specialists and specialists in training

⇒ VAT Exemption
   (interpretation of EU Directive)
VAT Liable

• Self assessment programme
• No interaction with the teacher
• Fully automated

=> VAT rules applicable
VAT LIABILITY
for e-learning without intervention

- VAT from the country of the EU supplier B2C

- VAT from the country of the customer B2C in case of a non-EU supplier

- VAT from country of the Supplier B2B within the country

- VAT reverse charge B2B
Questions?

Thank you