



# European Association of Tissue Banks

## **European Association of Tissue Banks - Statement on the issue of value added tax (VAT) for human tissues and cells**

Tissue and cell banking is a field of a medicine whose task is to prepare and store tissues procured from deceased or obtained from living donors, as well as isolation of cells procured from living donors used for treatment of patients. Banked tissues and cells are used in many areas of medicine for purposes of surgical treatment of traumas, degenerative diseases, congenital or acquired defects and reconstructions in oncology. Blood stem cells are used in treatment of hematologic malignancies.

Tissues and cells processed in tissue banks have been recognised for years as a gift of the society to the patients subjected to surgical transplant procedures. Voluntary and unpaid donation promoted from the very beginning of tissue banking activities has been recognised as one of the pillars supporting transplantation medicine, which has been reflected in the European regulations of tissue and cell banking.

European Association of Tissue Banks (EATB) is a scientific society gathering medical personnel involved in various aspects of tissue and cell banking from its foundation in 1991. EATB is focussed on altruistic donation of tissues and cells and promotes WHO *Guiding Principles on Transplantation* providing orderly, ethical rules for the use of human cells, tissues and organs for therapeutic purposes.

EATB considers documents from the EU VAT advisory group interpreting separation of tissues and cells from the term "organ" when it comes to VAT questions. It should be once again revised, since the tissue and cell donation is voluntary and unpaid, recognised as a gift and therefore, grafts prepared from human tissues and cells should not be treated as products or goods.

The Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax in Chapter 2, Exemptions for certain activities in the public interest at art. 132 states that Member States shall exempt from VAT not only "*the supply of human organs, blood and milk*" but also "*hospital and medical care and closely related activities undertaken by bodies governed by public law or, under social conditions comparable with those applicable to bodies governed by public law, by hospitals, centres for medical treatment or diagnosis and other duly recognised establishments of a similar nature*".



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EATB expresses the opinion that the term “*organs*” should be interpreted as “*organs, tissues and cells*” since similar rules, including ethical ones, are applied for all of them. Additionally tissue and cell banks fulfil the definition of “*and other duly recognised establishments of a similar nature*” since they support or even allow the adequate medical care leading to diminish or recover from disability.

EATB shares also its doubts, regarding the fact that taxing of tissues and cells will equalize them with goods that can be sold in the market. That idea is against the concept of voluntary and unpaid donation and may in turn allow commercialisation and selling of tissues and cells that is penalised according to the legislative provisions in most of the European countries.

EATB believes that the EU VAT advisory group will reconsider its interpretation on VAT exemptions and include tissues and cells to the term “organs” to keep the spirit of transplantation and continue to encourage donation and support from the general public.

A handwritten signature in blue ink, appearing to read 'Artur Kaminski', is positioned above the printed name.

Artur Kaminski  
President of EATB