The EU Value Added Tax (VAT) Directive provides for a mandatory VAT exemption for hospital services and medical care provided by public bodies, hospitals, centres for medical treatment and other duly recognised establishments of the kind, as well as medical care provided in the exercise of medical and paramedical professions, based on the definition of each Member State.

It follows that an exemption is granted on the basis of three factors: the status of the service provider, the actual service that is being provided, and the purpose for which this service is being provided. The scope of any such exemption must be interpreted strictly.

The Court of Justice of the European Union has stipulated that the term ‘medical care’ refers to services intended to diagnose, treat or cure diseases or health disorders or to protect, maintain or restore human health. Services effected for prophylactic or therapeutic purposes may also benefit from the exemption. Services performed purely for cosmetic reasons, however, do not fall under the concept of medical care.

According to the VAT Directive, it is up to Member States to lay down the conditions for ensuring the correct and straightforward application of those exemptions. Where Member States have doubts regarding the application of specific provisions of the VAT Directive, in order to enhance legal certainty, they can bring them forward to the VAT Committee. If national courts need guidance on matters concerning the interpretation of EU law, they may submit a preliminary question to the Court of Justice of the European Union.

---

2 Article 132(1)(b) and (c) of Directive 2006/112/EC.
3 Case C-384/98, D., paragraph 18, EU:C:2000:444.
4 Case C-212/01, Unterpertinger, paragraph 40, EU:C:2003:625.
5 Case C-45/01, Dornier, paragraphs 50 and 51, EU:C:2003:595.
6 Case C-91/12, PFC Clinic AB, paragraph 29, EU:C:2013:198.
7 Article 131 of Directive 2006/112/EC.
8 An advisory committee established by Article 398 of the VAT Directive and consisting of the Member States and of the Commission, whose guidelines, while not binding, nevertheless constitute an aid to interpreting the VAT Directive. guidelines-vat-committee-meetings_en.pdf (europa.eu)