

**VATR 114****Facts**

A was incorporated in Mauritius on 10 August 2021 and it holds a Family Office (Multiple) Licence pursuant to section 16 of the Financial Services Act 2007.

The Clients of A are High Net Worth Individuals (“**HNWIs**”) and Ultra High Net Worth Individuals (“**UHNWIs**”), i.e., generally those affluent individuals and families whose net worth is at least USD 5 million in accordance with section 5(2) of the Financial Services (Family Office) Rules 2020 (**the 'Rules'**). As of date, most of the Clients of A are non-Mauritian citizens and non-Mauritius residents.

As per section 5(1) of the Rules, A provides certain categories of services to its Clients. Put simply, A looks after the financial and non-financial affairs of its Clients.

The services provided by A include conciergerie services (**the “Services”**) in accordance with section 5(1)(b) of the Rules.

A conciergerie service is, basically, the provision of personal assistance to **HNWIs** and **UHNWIs** on all aspects from hotel bookings, transport arrangements, restaurant bookings, planning etc.

With regards to A, the Services include but are not limited to, arranging for ground transportation and hotel and restaurant bookings when the Clients of A visit Mauritius.

A charges VAT to its Clients when the Services procured are utilised, by the Clients, in Mauritius. The output tax is remitted to the Mauritius Revenue Authority.

Typically, A welcomes Clients in Mauritius. A arranges and pays for hotel booking, ground transportation and restaurant bookings (not limited to reservation but also including the food and drinks consumed) for the Clients. The Clients do not settle the service providers directly. A is billed for the end services by the service providers (e.g. hotels, restaurants including food and drinks consumed, ground transportation companies). VAT is charged on the amounts billed by the service providers. A settles the service providers directly.

A then charges these costs to the Clients, along with a service fee for the conciergerie services, to which VAT is charged as output tax because the services and goods (food and drinks) consumed are utilised in Mauritius.

Point at issue

Whether A is allowed to claim input tax suffered on the payments made to the ground transportation service providers, restaurants and similar other expenses (e.g., payments to tour operators) as part of the provision of the Services to its Clients, pursuant to section 21(2)(c) of the Value Added Tax Act?

Ruling

On the basis of the facts mentioned above, it is ruled that, subject to section 21 of the VAT Act, input tax incurred by A on payments made for transportation, restaurant booking not limited to reservation but including the food and drinks consumed by the Clients and similar other expenses (e.g., payments to tour operators) is allowable as a credit for input tax for VAT purposes.