

VATR 15

Facts

A private limited company registered in Mauritius, owns a 3-acre centre offering premier horse quarantine facilities including the following:

- a. Fresh water and hay supply
- b. Fresh bedding
- c. Tailor made feeding programme
- d. Veterinary Services, and
- e. Blacksmith services

The company's clients are exclusively overseas clients who are based overseas, and the horses are flown to Mauritius unaccompanied by the client. The horses transit in the local quarantine centre where they receive the above services before being flown back to other destinations after a short interval of time. The company's clients have no permanent establishment in Mauritius.

Point in Issue

Whether the services offered by the company are zero-rated supplies in accordance with Section 11 (2) and Items 6(a) in the Fifth Schedule of the Act.

Ruling

The services cannot be said to be zero-rated supplies on the grounds that the clients of the company are outside Mauritius at the time that the supplies are made or the services are performed, and that the company's clients have no permanent establishment in Mauritius.

The supply of services referred to at Item 6(a) of the Fifth Schedule means a supply of services which are not utilised in Mauritius. In this case the company has contracted with a person outside Mauritius to provide services to be utilised by the horses in Mauritius.