

## **VATR 31**

### **Facts**

P Ltd is a VAT registered company. It proposes to offer online booking services, i.e in respect of hotel rooms and villas to foreigners, against a service fee. For the service rendered, the related fee is charged and is settled before the time the foreigner actually comes to Mauritius for his stay. The service fee is distinct from the actual rental charged to the client for the accommodation and is used in part to settle costs of foreign business partners.

### **Points in issue**

Confirmation that the service fee meets the definition of zero-rated supply in terms of Section 11 and item 6 (a) of the Fifth Schedule to the VAT Act.

### **Ruling**

The supply of services referred to at Item 6(a) of the Fifth Schedule to the VAT Act means a supply of services which is not utilised in Mauritius. In the present case it cannot be said that the online booking services in respect of hotels and villas in Mauritius are services not utilised in Mauritius. The above services therefore do not qualify as zero-rated supply in terms of Section 11 and item 6 (a) of the Fifth Schedule to the VAT Act.