

## **VATR 56 (Govt Gazette No. 111 of 10 November 2012)**

### **Facts**

A Ltd acts as General Sales Agent (GSA) for airlines operating from / to Mauritius (Online airlines) and for airlines which do not operate from / to Mauritius (Offline airlines). In its capacity as GSA, A Ltd acts as agent for these airlines, sells tickets on their behalf and remits all revenue from ticket sales to the airlines. Once the passenger uses the ticket, A Ltd perceives commission from both Online and Offline airlines.

### **Points at Issue**

Whether the commission receivable from Offline airlines is zero rated and fall within the purview of Item 6(a) of the Fifth Schedule to the Value Added Tax Act?

### **Rulings**

It is confirmed that commission receivable from Offline airlines are zero rated and fall within Item 6(a) of the Fifth Schedule to the Value Added Tax Act, being given that the Offline airlines to whom services are being supplied by A Ltd belong in a country other than Mauritius and are outside Mauritius at the time the services are performed.