

VATR 58 (Govt Gazette No. 12 of 12 January 2013)

Facts

X Ltd is a VAT registered company engaged in advertising, branding and communications and its range of activities includes events management.

A few of the main expenses incurred for events management are catering services, food and drinks and occasionally hotel accommodation for foreign artists/performers.

Points at Issue

Whether the company is allowed credit for input tax on catering services, food and drinks and hotel accommodation for foreign artists / performers.

Rulings

It is confirmed that by virtue of Section 21 of the VAT Act, no input tax can be allowed as a credit in respect of catering services, food and drinks or hotel accommodation for foreign artists/performers.