

# **Blue Lagoon Beach Hotel & Co Ltd (Appellant) v Assessment Review Committee and another (Respondent) (Mauritius)**

**Case ID: JCPC 2019/0067**

**Jurisdiction: Supreme Court of Mauritius**

## **Case summary**

### **Issue**

Whether the Appellant was liable to account for and pay VAT in respect of hotel bookings made by tour operators, where the tour operator has paid for the hotel room booking (including VAT) but has failed to sell that booking to a consumer, such that no person eventually occupies the room on the night(s) it has been booked.

### **Facts**

The Appellant, owner of the Blue Lagoon Beach Hotel has entered into "all-inclusive" contracts with travel operators. Each operator binds itself to buy a specified number of rooms for each night of the contractual period at a specified price which either includes all taxes or includes VAT at 15%. Every month the amount is paid in advance less a fraction of the amount already paid at the signature of the contract. The Appellant provides the rooms, along with meals and activities for the guests as part of the "all-inclusive" package. The Appellant does not refund the operator any night which the operator has bought and has not been able to sell. When a tour operator sends clients to the hotel, the Appellant pays over to the Mauritius Revenue Authority ("MRA") VAT in relation to goods and services provided to the clients in the course of the "all-inclusive" holiday packages. However, when a tour operator does not send any client, Blue Lagoon treats the contractual sum paid by the tour operator for the room as "special income" in their accounts. No amount is then paid to the MRA in respect of VAT. On 12 February 2008 a VAT Assessment was issued by the MRA for the taxable period July 2005 to December 2007, and on 6 December 2011 a VAT Assessment was issued by the MRA for the taxable period January 2008 to June 2010. The Appellant challenged the VAT Assessments before the Assessment Review Committee "ARC". On 23 October 2015 the ARC issued a decision finding in favour of the MRA. The Appellant appealed to the Supreme Court, and on 4 June 2018 the Supreme Court delivered a judgment in favour of the MRA. The Appellant now appeals to the Board.

## **Parties**

### **Appellant**

Blue Lagoon Beach Hotel & Co Ltd

### **Respondent**

(1) Assessment Review Committee, (2) Mauritius Revenue Authority  
The Director General, Mauritius Revenue Authority

## **Appeal**

### **Justices**

Lord Briggs, Lord Sales, Lord Hamblen, Lady Rose, Lord Richards

**Hearing start date**

9 May 2023

**Hearing finish date**

9 May 2023

**Watch hearing**

10 May 2023 [Morning session](#)