

VATR 27

Facts

A Ltd voluntarily applied for and was registered for VAT. It holds a management licence and its main activity is to set up trusts and act as trustees for these trusts. Most of these trusts have the following characteristics:

- a) both the settlor and beneficiaries are non-residents;
- b) they are discretionary trusts;
- c) they have elected to be non-resident for tax purposes.

Services are also provided to trusts that elect to be resident in Mauritius.

Points in issue

Confirmation that a supply of services made to a non-resident trust is not subject to VAT at the rate of 15%.

Ruling

On the facts provided, A Ltd makes a supply of services both to resident trusts and non-resident trusts. While the supply of services to resident trusts is subject to tax at 15%, it is confirmed that the supply of services made to non-resident trusts is treated to fall under item 6 (a) of the Fifth Schedule to the VAT Act and is therefore zero-rated.