



TAX TREATMENT FOR LABOUR ACCOMMODATION



Labour Accommodation Exempt from VAT

Conditions:

- Principal place of residence for employees
- A building fixed to the ground and which cannot be moved without being damaged
- The building was constructed with a lawful authority
- The building is not similar to a hotel, motel, bed & breakfast establishment, or serviced apartment for which services in addition to the supply of accommodation are provided



Additional Services that May Be Offered:

- Cleaning of communal areas
- Maintenance services of the property
- Pest control
- Garbage collection
- Security
- Utilities, e.g. electricity, water, etc.
- Access to facilities within the building for residents to use themselves, e.g. launderette
- Facilities within the building (gym, pool, prayer rooms)



Providing below services within the same price converts the accommodation from a tax-exempt facility to one that is subject to

5% VAT

- Telephone and internet access
- Cleaning of the rooms
- Laundry services
- Catering
- Maintenance services (other than those required for the general upkeep of the property)

