

No VAT in Govt's vacation rental deal with Airbnb

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last week, said the MoU would only become a full agreement once the new 'vacation rental' tax was implemented.

Describing Airbnb as "the largest and fastest-growing vacation rental website", he told Tribune Business: "We at the Ministry of Tourism felt it was prudent to enter into a relationship to govern the terms by which people could rent their vacation homes in the Bahamas via their website."

"Airbnb will ensure that whoever lists their homes is in compliance with local rules and regulations, and collect any government taxes and fees associated with that rental, and remit that directly to the Public Treasury."

Through the MoU, the Bahamas is following other Caribbean nations, such as Antigua and Barbuda and Bermuda, in enlisting Airbnb's help to regulate the vacation rental and ensure it pays its 'fair share' in taxes to help with infrastructure upkeep.

The Government is thought to currently be missing out on significant tax revenues related to vacation rentals, given that payments to landlords are frequently made outside the Bahamas via the Internet, never touching this nation.

"There's a lot of foreign second home owners in the Bahamas deciding to put their homes up for rental, and money is remitted directly to them outside the Bahamas," the Minister of Tourism said. "You've got to tackle them through the website."

Mr D'Aguilar, though, revealed that Airbnb "will not collect VAT" due to difficulties in determining whether landlord earnings breached the \$100,000 registration threshold. As a result, he suggested the Government would have to introduce some kind of occupancy/room tax for the vacation rental sector in next year's Budget.

"We don't want to double tax someone, so we will probably give them the option of either paying VAT or the room tax," he told Tribune Business. "It's got to be the greater of the two."

Mr D'Aguilar, though, emphasised that the Government did not want to over-regulate vacation rentals, given the sector's importance in fostering Bahamian entrepreneurship and spreading tourism-related income beyond the hotel industry.

"Airbnb and the products they offer are good for a number of reasons," he added. "First of all, it attracts a different type of tourist from those types that go to hotels - certainly more so for New Providence."

"It also drives dollars that would typically not enter a particular neighbourhood into those areas by allowing visitors to go outside typical resort/hotel destinations."

"There's a need for some oversight, but not a large amount. I don't think they need too much oversight, and we definitely don't want to do too much oversight."

Mr D'Aguilar said Airbnb will also share its marketing information with the Ministry of Tourism. "What they're going to do is share their information

with us; all the people that rent, and give us statistics on the destination: How many people come, where they stay. They have incredible marketing information."

The Government's plans to regulate vacation rentals were also highlighted by the Prime Minister in an address to the Bahamas Hotel and Tourism Association (BHTA) yesterday.

"Vacation rental homes are today operating outside the regulated environment in our country," Dr Hubert Minnis said. "Such products will have to be registered with the Ministry of Tourism and appropriate taxation will be applied to level the playing field and ensure they contribute to the public purse."

"Through registration we can ensure they meet international standards for service and quality."

That, and Mr D'Aguilar's comments, will likely be 'music to the ears' of Bahamian hotel industry executives, who have long demanded that the growing vacation rentals market be placed on a taxation and regulatory 'level playing field' with their properties.

The issue was raised at the BHTA's February 2017 meeting, with its senior vice-president, Dean Spychalla, arguing that Harbour Island's vacation rental industry was generating more income than the island's hotels.

The meeting notes, obtained by Tribune Business, state: "Dean Spychalla reported that on Harbour Island, the revenue from the privately-owned homes ex-

ceeded that of all the hotels on Harbour Island.

"However, no monies are being collected by the Government for that revenue. In addition, these private homes take up seats on airlines flying to the island that the hotels need. Unless we can collect revenues and expand the infrastructure to get more flights in it is detrimental to the hotels."

Mr Spychalla, though, acknowledged that restaurants and other businesses were benefiting from the private vacation rental market.

However, the Bahamas will have to be careful to strike the right balance, and not over-regulate the vacation rental market.

An Oxford Economics study for the Organisation for Responsible Governance (ORG) found that vacation rentals had the potential to increase Bahamian tourism industry ownership and develop Family Island economies.

Oxford Economics' study, which analysed the impact of a 50 per cent increase upon current vacation rental activity, found this would grow stopover tourists by 8,350 annually, and generate \$13 million in additional visitor spending.

Excluding 50 per cent of that \$13 million from its analysis, as that represented lease costs, the ORG study said: "The full economic impact - direct, indirect, and induced - of additional

spending by these new tourists is estimated at \$9.8 million of additional GDP and 225 new jobs."

"The sectors most affected are community, social and personal services, which receives 35 per cent of the GDP impact and 50 per cent of the jobs impact, and hotels and restaurants, which receive 23 per cent of the GDP and 18 per cent of the jobs impact."

Data obtained by Oxford Economics showed that the Bahamas had 1,878 properties registered with Airbnb, of which 908 - just under half - were deemed to be active.

Highlighting the vacation rental market's growth and economic potential for the Bahamas, the ORG re-

port showed these numbers were between eight to three times' higher than comparable Airbnb data for Bermuda, the Cayman Islands and Turks & Caicos.

The Bahamas' mean occupancy rate was lower than Bermuda's and Cayman's, at 38 per cent and 22 per cent, respectively, but higher than Turks & Caicos's 16 per cent.

When it came to yield, the Bahamas' mean Airbnb nightly rate of \$306 was higher than Bermuda and Cayman's, but lower than Turks & Caicos's. This nation's guest ratings were also in line with its regional rivals.



FIDELITY BANK (BAHAMAS) LIMITED

NOTICE TO SHAREHOLDERS

The Board of Directors of Fidelity Bank (Bahamas) Limited

is pleased to notify all shareholders that a dividend of

\$0.25 per ordinary share has been declared to be paid

on June 30, 2017 to all shareholders of record as

of June 23, 2017.

NOTICE

Lorient International Business Corp
In Voluntary Liquidation

Notice is hereby given that in accordance with Section 138(4) of the International Business Companies Act, 2000, Lorient International Business Corp is in dissolution as of June 13, 2017

CANDEO OVERSEAS SA of the British Virgin Islands is the Liquidator.

LIQUIDATOR

NOTICE

LOCKYER VENTURES INC.
In Voluntary Liquidation

Notice is hereby given that in accordance with Section 138(4) of the International Business Companies Act, 2000, LOCKYER VENTURES INC. is in dissolution as of June 9, 2017

International Liquidator Services Inc. situated at 3rd Floor Whitfield Tower, 4792 Coney Drive, Belize City, Belize is the Liquidator.

LIQUIDATOR

FINE FOOD BUSINESS INTERNATIONAL INC.

Company No. 1630810
(In Voluntary Liquidation)

NOTICE is hereby given pursuant to Section 204 (1) (b) of the BVI Business Companies Act, 2004 that FINE FOOD BUSINESS INTERNATIONAL INC. is in voluntary liquidation. The voluntary liquidation commenced on 2nd June, 2017 and Querube C. De Nuñez of MMG Tower, Ave. Paseo del Mar, Costa del Este, Panama City, Panama, has been appointed as the Sole Liquidator.

Dated this 6th day of June, 2017
Sgd. Querube C. De Nuñez
Voluntary Liquidator

NOTICE

RC HILLS INC.
In Voluntary Liquidation

Notice is hereby given that in accordance with Section 138(4) of the International Business Companies Act, 2000, RC HILLS INC. is in dissolution as of June 8, 2017

International Liquidator Services Inc. situated at 3rd Floor Whitfield Tower, 4792 Coney Drive, Belize City, Belize is the Liquidator.

LIQUIDATOR

NOTICE

CRENDON TRADE S.A.
In Voluntary Liquidation

Notice is hereby given that in accordance with Section 138(4) of the International Business Companies Act, 2000, CRENDON TRADE S.A. is in dissolution as of June 8, 2017

International Liquidator Services Inc. situated at 3rd Floor Whitfield Tower, 4792 Coney Drive, Belize City, Belize is the Liquidator.

LIQUIDATOR

Grand Bahama Career Fair

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PLACE: PELICAN BAY HOTEL

Tuesday June 20th, 2017 - 11AM - 6PM

Wednesday June 21th, 2017 - 9AM - 5PM

We are currently looking for enthusiastic and customer service driven SuperStars to join our Super Team!

Sous Chefs	Chefs de Partie	Cooks
Stewards	Deckhands	Public Space Cleaners
A/C Technicians	Boat Captains	Laundry Technicians
Servers	Engineers	Bartenders
Bussers	Barbacks	Security Officers
Room Attendants	Housemen	Laundry Attendants
Bellmen	Front Desk Agents	Beach Attendants

Team Members enjoy the following benefits:

Fully Furnished Living Accommodations / Laundry Facilities

Meals /Recreation Area / Gym / On Property Transportation

To be interviewed, attendees must: present an updated resume, valid Bahamian passport, clean police certificate, must be professionally dressed, and be willing to relocate.