



Owain Roberts  
Clerk, Finance Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff CF99 1SN

10th January 2025

**Supplementary correspondence: Airbnb written evidence to the Finance Committee's consultation into the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill**

Dear Clerk,

I am writing this letter to accompany the evidence that we have submitted to your committee as part of its work on the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill. At Airbnb, we are proud of the role we play in helping people take part in, and benefit from, the visitor economy by welcoming guests into their homes. We appreciate the opportunity to share our expertise on the proposals for a register for all overnight accommodation, and new powers for local authorities in Wales to introduce a visitor levy.

In our submission to your consultation, we committed to providing you with more information in response to question 15 on the quality of the legislation, and in particular, to set out areas where we believe there are a number of drafting issues in the bill and where we would encourage the Welsh Government to clarify its policy intention. These relate to both the design and functioning of the registration scheme, and the mechanism around how local authorities might introduce and implement a visitor levy. We also stated in our answer to question 16 that we would outline in more detail our views on how a 'notice and action' regime should operate as part of the registration scheme framework, so that Welsh councils can flag any unregistered properties to booking intermediaries and request removal through a set process. I have set these out below, and would be happy to expand on any of these points when I appear before the committee to give oral evidence on the 30th January.

We look forward to continuing to work with the Welsh Government, with the Welsh Parliament and your committee, and with other stakeholders to ensure that the legislation is a success and meets the desired objectives.

Yours sincerely,

**Carl Thomson**

Public Policy Manager, UK  
Airbnb

#### Visitor levy drafting issues

- **Clarifying requirements on VAPs to advertise the levy.** Section 37(1) of the bill contains power for the Welsh Government to advertise the levy. However, it is unclear what steps VAPs may be required to take, how such an obligation could be met, what the statutory process would be for ministers to utilise this power, and how onerous any measures might be. We encourage the Welsh Government to clarify this in legislation as the bill goes through the parliamentary process.
- **Interaction between the levy and the registration scheme.** The legislation allows for a local authority to introduce a levy even prior to the registration scheme being launched. This is despite the fact that information in the register will be crucial to local authorities when deciding whether to introduce a levy. Given the Welsh Government's view that the registration scheme is an important component of the levy, it is a significant omission that there is no requirement to utilise the evidence base provided by the register in any consideration of whether there should be a visitor levy. There should be a statutory duty on local authorities to show that they have considered data from the scheme before introducing a levy, or changing an existing one (i.e., adding a premium).
- **Clarifying that all accommodation types defined by the bill fall within scope.** Section 2(1) applies a broad definition of visitor accommodation, with Section 2(5) giving ministers the power to change this definition. The legislation should explicitly state that all visitor accommodation which meets the definition in the bill is in scope, and that local authorities should not have the power to "carve out" different accommodation types and apply the levy selectively (i.e., by applying the levy only to hotels, or only to short-term lets).

- **Definition of the term “occupier”.** Section 3(2)c adds as part of the definition of a VAP that they are “an occupier of the premises at which the visitor accommodation is provided”. It is not clear what “occupier” means in this context. This is also a concern with regards to the registration scheme element of the legislation, since the owner of the premises will in many cases have someone else managing it. We encourage the Welsh Government to look again at this definition to ensure it appropriately captures the person who should best act as the VAP, and would instead recommend the following definition: “the main responsible person who rents, leases or lets for consideration for short-term stays any living quarters or accommodations as defined under Section 2(1) of the bill”.
- **Liability of payment.** Section 10(2) states that the liability to pay the levy on an overnight stay in visitor accommodation arises when a person enters the accommodation. We recommend that the liability to pay the levy should be tied to the time of payment, as this will account for the different types of business models that VAPs operate under. From an operational perspective, tying the liability to the time of payment is easier for businesses to implement, track any alterations, and allows remittance of taxes in the period it is collected from a guest. It also prevents the need for businesses to hold taxes when a guest pays for the accommodation in advance.
- **Strengthening the mandatory 12 month notice period.** Section 26(3) of the bill allows local authorities to introduce or vary a levy within a period shorter than 12 months since a notice was published, provided both the council and the Welsh Revenue Authority agree to it. While this provision may be helpful in the event that a local authority wishes to cease applying a levy, the current wording leaves open the possibility for a local authority to introduce a levy with less than 12 months’ notice, potentially undermining the processes the Welsh Government has indicated that it wishes councils to follow. We believe that this part of the bill should be amended so that it applies only where councils want to remove a levy, but not to introduce one.
- **The bill should clarify responsibilities for handling and issuing refunds when a booking is cancelled, as well as for when refunds are due owing to the guest being exempt.** Section 15(1) to (16) sets out the process for guests to obtain a refund of the levy when they meet the requirements for an exemption. We agree with the model proposed, which minimises burdens on VAPs. However, we would encourage the Welsh Government to set out in a similar manner how refunds will be handled, and where responsibility lies for processing them, in situations where a booking has been cancelled or altered prior to check-in, and where the levy is tied to time of payment. In this

situation, we believe the obligation should be on the VAP to provide a refund of the visitor levy element at the same time as the rest of the booking amount is repaid in the event of a cancellation, or, if the booking is non-refundable, for reimbursement of the visitor levy amount to be actioned upon notification of cancellation by the guest. If the booking is altered (more days added or reduced) or cancelled, the VAP will adjust and remit the proper amount of tax to reflect the actual booking. If this happens after the tax has been remitted, the VAP will take a credit or debit on the following return after the cancellation of alteration occurred. This would minimise disputes and provide reassurance to guests that they will be refunded the tax element of their booking in the event they need to cancel.

#### Registration scheme drafting issues

- **Use of the register to inform decisions on Article 4 directions.** Just as we believe that local authorities should consider data from the registration scheme before deciding whether to introduce a levy, we would also reiterate the recommendation in our response that the legislation should contain a statutory duty on local authorities to utilise the information contained in the register when considering whether to introduce an Article 4 direction. This is crucial, since the registration scheme will be the only authoritative source of data around the number and location of such premises and will be materially important in informing any such decision.
- **The bill does not provide a grace period for a VAP to register their property once the registration scheme is up and running.** Under the legislation as currently drafted, the VAP becomes liable to pay a penalty unless they register their property the instant that they are required to. We encourage the Welsh Government to clarify or to amend the legislation so that there is sufficient time between the registration scheme going live, and a final deadline for existing VAPs to register. Based on our experience with the launch of similar schemes elsewhere, we have found that six months is an adequate period, provided the Welsh Government sufficiently raises awareness of the need for VAPs to register before the obligations take effect.
- **Where multiple visitor accommodations exist on the same site, for example multiple units in a single property, it is unclear whether these need to be registered individually or collectively.** Section 3(2) of the bill along with Section 5(1) suggests that only the “premises” must be registered, rather than the individual accommodations themselves. We would encourage

the Welsh Government to clarify its intention for scenarios where one premises may contain multiple, individual accommodation units.

- **The requirement on VAPs to register only takes effect where the visitor accommodation is provided “in the course of a trade or business”.** This term is not defined. We understand it is the Welsh Government’s intention that the scope of the registration scheme should capture anyone offering overnight accommodation on a commercial basis, including individuals occasionally letting a room in their primary home on sites like Airbnb to earn some additional income alongside their main occupation. However, such hosts may not see themselves as engaged in a trade or business. We encourage the Welsh Government to clarify this point, and to include this information in any education campaign to make clear what kind of activity is in scope.
- **There is no provision in the legislation for a mechanism by which a VAP can remove themselves from the register.** If a VAP decides to cease trading, or transitions their activities to another person, it is not clear from the current draft of the legislation at which point they will no longer be subject to the Section 5(1) requirement. Without a mechanism for VAPs to de-register, the registration scheme could end up being inaccurate as non-trading businesses or inactive listings are not removed, thus impacting the quality of the data, the effectiveness of the register as a regulatory regime, while also giving a distorted picture of the size of the visitor economy and number of VAPs.
- **Where visitor accommodation is owned or operated by multiple people, the bill suggests that each individual may need to register separately as a VAP.** For example, if a room is let on Airbnb in a home which is jointly owned by a couple, Section 5(1) of the legislation suggests that each of these persons would need to register individually, and thus register the same property multiple times, rather than enabling premises to be registered with multiple responsible persons. We encourage the Welsh Government to clarify its policy intent in this area, and, if this is not the intention, to create a streamlined mechanism so that only one VAP needs to register for each property.

#### Operation of a notice and action framework

We would encourage the Welsh Government to publish guidance that establishes a mechanism whereby either local authorities or the registration body are able to flag

any listings for unregistered properties to the booking intermediaries on which they appear, and request removal through a notice and takedown process.

We believe that this mechanism should work as follows:

- Booking intermediaries, including both online platforms and offline providers, will enable hosts to enter a registration number in their system in a format consistent with the central registration scheme, which is then displayed in a single, consistent place in any property listing.
- Each booking intermediary will provide the registration scheme operator with a single email contact for notice and action matters, which can be disseminated to local authorities, and will also have in place an internal workflow that would allow them to receive and process removal requests from local authorities and the registration scheme operator.
- Local authorities or the registration scheme operator can use the relevant email contact to report accommodation premises that are unregistered and have passed the 30-day period set out in the proposed Section 7A(4) amendment by providing the listing URL and a clear request for removal due to a breach of the obligation to register.
- Upon receipt of a request from a local authority or the registration scheme operator to remove an accommodation premises that includes the required information (i.e. the listing URL, a clear statement of the breach, and a request for removal), the booking intermediary will remove the listing within a set time frame and confirm this to the requestor.

This notice and action approach is used to support government enforcement efforts in jurisdictions around the world, including in the EU, and would give the registration scheme operator and local authorities reassurance that they are able to flag infringing listings for removal when they are identified, while enabling them to retain control over decisions on whether, when and how to enforce against a host.