

# PERU FIGHTS AGAINST THE COMMISSION ON TIPS OF HOTEL WORKERS



The National Chamber of Tourism of Peru (CANATUR) announced that the digital travel platform Booking.com considers introducing a commission on tips received by the hotel staff.

Booking.com modified its commercial policies for hotels in Peru. According to Carlos Canales, president of CANATUR, **commission on tips would harm the hotel staff and it would be against the Peruvian laws.**

The online travel service platforms such as Booking.com, have grown in importance in the Peruvian tourist market but they also generate losses of the hotels. According to CANATUR, over 40% of hotel bookings are done through these sites, which is profitable for the types of companies that charge commissions to establishments that show up in the searches.

In this regard, Canales said that since September 1, Booking.com disclosed, while modifying its commercial policies, that the company acts as an intermediary in the process of booking accommodation, so a surcharge on consumption for services provided by the lodging will be established within the commissioned amount.

That is to say that this will include the charge that some hotels ask the guests to pay for the tips, which go exclusively to the hotel staff.

“[Booking.com commissions represent] between 11% and 20% of the hotels billing. Under national accounts, the hospitality industry has earnings of US\$ 2.5 billion a year. Of these, between 50% and 60% of hotels in Peru are under this surcharge [on tips],” the expert said.

In this regard, the Peruvian Law, applicable since 1992, states that lodging establishments or restaurants - in agreement with their workers - may set a consumption surcharge of no more than 13% of the value of the services provided by the concept of tips.

This way, the amount collected is not subject to the General Sales Tax (I.G.V) nor is it taxable (it is not considered in the CTS or contribution to EsSalud), and it is distributed among workers.

According to experts, the money raised by tips is the exclusive property of the workers, so the Booking.com measure would be illegal by “taking money that does not belong to them”.

**The establishments affiliated to the Peruvian Hotel and Restaurant Association (AHORA Peru), the Hotel Society of Peru, and direct associates to CANATUR have repeatedly demanded a reaction from Booking.com on the subject but did not receive any answer.**

In this way, between 11% and 20% of the turnover of these companies goes to these commissions. Additionally, commissions can reach up to 20% on the base rate.

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