

No. M5-1903/15

Department of Tourism

Park View, Thiruvananthapuram 695 033

Kerala, India Fax: 0471 2322279

Ph:0471 2560 426

Email : accreditation@keralatourism.org

www.keralatourism.org

Date : 08/06/2016

From

Director

To

The Secretary to Government

Tourism Department

Government Secretariat

Thiruvananthapuram

Sir,

Sub : Approval & Classification of Home Stays-Revision of Guidelines and active involvement of LSGD-reg

Ref: Representation dated 05/05/2016 from Kerala Homestay & Tourism Society

Kind attention is invited to the reference cited above a copy of which is enclosed. As clearly pointed out in the representation, approval for 'Home Stays' has become a serious issue in Kerala. The concept of 'Home Stays' and its approval cum classification system was introduced by the Department of Tourism as part of its promotional efforts. The idea was to provide a homely experience to the tourists and promote experiential tourism. Our culture and culinary tradition get promoted this way. 'Home Stays' concept is purely tourism oriented and it should not be treated as a commercial sector.

The national capital territory of Delhi (Incredible India) has passed a Registration & Regulation Bill in 2007 for Bed & Breakfast establishments by which such establishments are not treated as commercial units. A copy of the bill is enclosed along with the representation in reference.

The department is of the view that the 'Home Stays' of Kerala should not be treated as commercial units as they are only meant for providing homely experience to the tourists which intern promotes our culture. It is clear that the 'Home Stay' units in Kerala will close down if they are treated as commercial units as they are not making huge profits as a hotel or resort does. The maximum number rooms allowed in a house for 'Home Stay' activity is only 6 and the units normally do not employ persons from outside to do the service to the guests.

The below suggestions may kindly be considered in the above mentioned context to promote 'Home Stays'.

1. Local bodies should not be allowed to give approvals to 'Home Stays' since the Department of Tourism has set clear norms for their approval and classification. Local bodies may issue only an N.O.C (No Objection Certificate) to the 'Home Stay' applicants who should produce it to the Department while applying for approval & classification. And local bodies may be asked to promote the concept through speedy issue of NOC without any hurdles. Approval & classification of 'Home Stays' should only be done by the Department of Tourism and local bodies should not be allowed to issue approval for Home Stays.

2. LSGD, Power department, Taxes Department and other departments may be asked not to treat 'Home Stays' approved by Department of Tourism, as commercial units. Power and water tariff, property tax and all other taxes should be same as that applicable to domestic or residential use. 'Home Stays' shall not be required to pay value added tax or any other taxes as done by the local bodies at present.
3. The present application & clarification fees may also be revised to encourage more and more people to participate in this initiative. An application cum classification fee of Rs. 5,000/- alone may be fixed as one time charges for all the three categories. The department would also propose to bring uniqueness in the names of all classification categories. Silver, Gold, Diamond classification is easily identifiable and hence the same may be used in all classification system with slight variation. 'Home Stays' may be classified in future as Silver Home, Gold Home & Diamond Home, since we propose to give silver house, gold house and diamond house to houseboats in future.

Government may kindly issue appropriate orders on the following :

- i. Approval and classification for 'Home Stays' shall be given only by Department of Tourism and local bodies should only issue NOC to the applicants for applying to Department of Tourism
- ii. Necessary instructions to various departments not to treat 'Home Stays' as commercial units and to fix power tariff, water tariff, property tax and all other taxes at domestic / residential rates. 'Home Stays' shall not be required to pay VAT or any other taxes.
- iii. Introduce one time application cum classification fee of Rs. 5,000/- to all classification categories of 'Home Stays'.
- iv. Approve the new names, Silver Home, Gold Home & Diamond Home to the new categories and the system may be renamed as approval cum classification system so that it will be applicable to all those who intend to start Homestays.

Early orders on the above would be highly appreciated.

Yours faithfully

Sd/-

Director

Approved/for issue

Deputy Director(Marketing)