## **Karta Service Fees**

Last Updated: January 11, 2021

To help Karta run smoothly and to cover the costs of the products and services we provide, like 24/7 customer support, we charge a service fee when a booking is confirmed.

## Fees for booking a place to stay

We have two different service fee structures for booking a place to stay: split-fee where both hosts and guests pay a service fee, and host-only fee where only the host pays a service fee.

#### 1. Split-fee

This fee structure is the most common. A service fee is deducted from the host payout, and a service fee is charged to guests.

#### Host service fee

Most hosts pay a service fee calculated from the booking subtotal (the nightly rate plus cleaning fee and additional guest fee, if applicable, but excluding Karta fees and taxes) and is automatically deducted from the host payout.

#### **Guest service fee**

Most guests pay a service fee of the booking subtotal (the nightly rate plus cleaning fee and additional guest fee, if applicable, but excluding Karta fees and taxes). The fee varies based on a variety of booking factors and is displayed to guests, including during checkout before they book a reservation.

#### 2. Host-only fee

The entire service fee is deducted from the host payout, and no Karta service fee is paid by guests.

The host-only fee is mandatory for hotels and some other hosts as specified by the platform.

### VAT charges on service fees

Depending on the laws of the jurisdiction involved, VAT may be charged on top of the host and guest service fee. The service fee will include these VAT charges when applicable.

# **Fees in Person**

Generally, hosts may not collect any additional fees or charges outside the Karta platform unless expressly authorized by Karta.

Hotels and software-connected hosts can charge guests additional fees that aren't collected by Karta or used to calculate Karta service fees and taxes. These fees are collected directly from guests, either at check-in or within 48 hours of checkout.

## Fees that can be collected in person

Karta only authorizes these fees to be collected if they're detailed in the listing description and included in the price breakdown before guests book.

- **Resort fee:** Resort fees often cover the cost of a property's amenities, like pool, gym, or wifi use
- Security deposit: A refundable deposit that can be used to cover any damage that occurs during the stay
- Cleaning fee: A one-time fee used to cover the cost of cleaning
- **Incidentals:** This can include things like pet fees, valet or parking fees, airport shuttle fees, etc.

# **Taxes for Guests**

There are a few instances where a Karta guest may need to pay tax.

Some hosts are required by their local regulations to charge a tax. We recommend they include the tax in the price of the reservation, but some may require the tax to be paid directly upon check-in. We ask that hosts explain any taxes they may be required to collect in their listing description and their communication with guests prior to booking.

In some locations, Karta has made agreements with government officials to collect and remit certain local taxes on behalf of hosts. The taxes vary and, depending on the local law, may include calculations based on a flat rate or percentage rate, the number of guests, number of nights, or property type booked. When you book a listing in one of these locations, the local taxes collected will be displayed automatically when you pay and appear on your receipt once your reservation is confirmed.

Additionally, Karta is required to collect VAT or a VAT equivalent (ex: Japanese Consumption Tax) on its service fees in countries that tax Electronically Supplied Services. Currently, that includes all countries in the EU, Albania, the Bahamas, Chile, Colombia, Iceland, Japan, Mexico, Norway, Saudi Arabia, South Africa, Switzerland, and Uruguay.

Karta is also required to collect VAT on its services fees from all users who contract with Karta China.