



**TOURISM TAX**

# **GUIDE ON TOURISM TAX (DIGITAL PLATFORM SERVICE PROVIDER)**

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## **INTRODUCTION**

1. This guide is prepared to assist Digital Platform Service Provider (DPSP) who provides online booking accommodation premises to a tourist relating to the implementation of Tourism Tax (TTx).

## **BACKGROUND OF TOURISM TAX**

2. The implementation of TTx is provided for under the following legislation:
- a) Tourism Tax Act 2017;
  - b) Tourism Tax (Amendment) Act 2021;
  - c) Tourism Tax (Digital Platform Service Provider) Regulations 2021;
  - d) Tourism Tax (Rate of Digital Platform Service Provider Tax) Order 2021;
  - e) Tourism Tax (Digital Platform Service Provider) (Exemption) Order 2021;
  - f) Appointment of Date of Coming into Operation;
  - g) Appointment Of Effective Date For Charging And Levying Of Tourism Tax; and
  - h) Tourism Industry Act 1992.

## **DEFINITION**

3. DPSP means any person who provides service relating to online booking accommodation premises to a tourist whether such person is in Malaysia or outside Malaysia.

4. Service relating to accommodation premises means any online service relating to the booking of accommodation premises that is delivered automatically over the internet or any other electronic network.

## **IMPOSITION OF TAX ON DPSP**

5. Any person who provide digital platform services whether located in Malaysia or outside Malaysia, on providing digital platform relating to online booking accommodation premises in which the accommodation premises is in Malaysia shall be liable to be registered for TTx.

6. A registered DPSP are required to charge TTx on a tourist who stays at any accommodation premises made available through a service relating to online booking accommodation premise at the rate fixed at RM 10.00 per room per night.

**Example 1**

*Catherine, a tourist from London has purchase an accommodation through Mystaycationohsem.com, for her vacation in Malaysia from 25.07.2022 to 31.07.2022. Mystaycationohsem.com is registered with TTx as DPSP. Mystaycationohsem.com has to charge Catherine TTx RM50 for her 6D5N stay in Elwin Hotel in Kuala Lumpur.*

7. The tourist is liable to pay TTx to DPSP and DPSP shall account for the tax to Royal Malaysian Customs Department (RMCD).

8. Where TTx for an accommodation premises made available through service relating to online booking accommodation premises has been paid by the tourist to the DPSP, the registered operator is not required to collect the TTx from the tourist, provided that the tourist shall submit proof of such payment. If the tourist unable to provide any proof of such payment of TTx has been paid to the DPSP, the registered operator shall collect the TTx from the tourist and account such tax to RMCD.

**Example 2**

*Ryssa Resort in Langkawi Island received a confirmed booking from Ross Del Sanches for a 7D6N stay that was made via LaViva.com. Upon check out, he was charged a sum of RM1, 600 for room charges and RM60 for TTx since no payment of TTx being made through LaViva.com.*

9. Every DPSP is required to issue an invoice, a receipt or other document in Bahasa Melayu or in English language to a tourist who made an online booking of the accommodation premises. Such document shall be issued within thirty days from the date of the accommodation premises is made available (date of booking confirmed) or such extended period as may be approved by the Director General.

**Example 3: Booking date confirm (payment done)**

*Enrique and his family plan for a holiday in Penang, Malaysia on September 2022. Through Boombastic.com, Enrique search for an accommodation and booked 2 rooms for 5D4N in My Penang Resort. Boombastic.com charged Enrique full payment of*

RM600 for an accommodation and RM80 (RM10 X 4 nights X 2 rooms) for TTx and have his bookings secured.

**Example 4: Booking date confirm (payment not done)**

Vivavo is a digital platform that offers various type of an accommodation for tourist to enjoy their plans on a holidays. Tanya & her friend make a reservation through Vivavo on her planned holiday on 15 September 2022. Tanya has confirmed her bookings 7 days before check-in date to the hotel. Vivavo platform only allow tourist to make a reservation but did not collect any payment on behalf of the accommodation operator. Therefore, Tanya will need to pay room charges as well as TTx to the accommodation operator during her check-out.

10. DPSP shall state the amount of TTx payable separately from any other charges imposed on the tourist.

**Example 5**

Manniara an Indonesian citizen, booked a room for one (1) night at Furqan Hotel in Sabah via Ateen.com. The room charge is RM180.00 per night and RM10 for TTx. Ateen.com will have to issue an invoice to show the amount of TTx separately as follows:

<b>Charges</b>	<b>RM</b>
One Room	180.00
TTx rate (RM10/per room per night)	10.00
<b>Total Amount Payable</b>	<b>190.00</b>

11. DPSP may issue the invoice, receipt or other document electronically or in physical form.

12. Any person other than registered DPSP are not allowed to issue any invoice, receipt or other document showing an amount which purports to be TTx and may be subjected to an offence.

13. If there is a change (reduce or increase) to the amount of TTx paid or to be paid, due to change in the rate of TTx or due to any adjustment in the course of business, DPSP are required to issue a credit note (CN) or debit note (DN).

14. A CN or DN shall contained the following particular:

- (a) the words “credit note” or “debit note” in a prominent place;
- (b) the serial number of the credit note or debit note;
- (c) the date of issuance of the credit note or debit note;
- (d) the name, address and tourism tax registration number of the digital platform service provider;
- (e) the reason for the issuance of the credit note or debit note;
- (f) the numbers of accommodation and nights for each accommodation provided;
- (g) the total payment for accommodation provided excluding tourism tax;
- (h) the rate and amount of tourism tax; and
- (i) the number and date of the original invoice.

15. DPSP is required to keep full, true and up to date records of all transactions which affect or may affect his liability to collect TTx in such books of account or other records as the DG may direct.

16. All records shall be kept for a period of seven (7) years from the latest date to which the records relate and shall be made available for inspection by RMCD.

17. If records are kept electronically readable form, such records shall be kept in such manner as to enable the records to be readily accessible and convertible into writing. If fails to keep records, DPSP may be subjected to an offence or a fine not exceeding RM30,000 or to imprisonment for a term not exceeding one (1) year or to both.

## REGISTRATION

18. Any person who is providing online booking accommodation platform in which the accommodation premises is in Malaysia are required to apply to the Director General (DG) for registration application as prescribed under subsection 20C(1) or (3) of the Act as below:

- a) For new DPSP, application for registration shall be made within thirty (30) days from the date the DPSP provide the service

### **Example 6**

*Paes.com started providing digital platform services such as booking an accommodation, group tour packages and sightseeing in Malaysia on 01.08.2022. Paes.com liable to be registered for TTx from 1.08.2022 to 30.08.2022 and start charging TTx from 1.09.2022.*

- b) For DPSP who provides services before coming into operation, the application for registration shall be made not later than three (3) months before the effective date.

### **Example 7**

*TTY Booking Plt. Ltd. is located in New Zealand and providing online booking for accommodation premise in Malaysia since 2015. TTY Booking Plt. Ltd. is liable to be registered for TTx from 1.10.2021 to 31.12.2021 and start charging TTx with effect from 01.01.2022.*

19. The DPSP shall apply for registration to the DG using Form TTx-01A through electronic services by login to [www.mytx.customs.gov.my](http://www.mytx.customs.gov.my). Kindly refer to User Manual Registration (DPSP) for further details.

20. Upon approval, the DG will notify DPSP in writing and assigned with a registration number.



21. If the DPSP fails to register within the time stipulated, DG shall have the power to register any DPSP who is not registered on the effective date with effect on the first day of the following month after information relating to the operation of a DPSP became known or is made known to the DG.

22. Any DPSP who has ceased to provide online booking accommodation premises in Malaysia or obtain any exemption from the Minister of Finance shall notify the DG in writing within thirty (30) days from the date of the cessation. DG may cancel the DPSP's registration from the date as DG may determine.

### TAXABLE PERIOD

23. The taxable period for DPSP shall be a period of three months ending on the last day of any month of any calendar year. However, DPSP may request in writing to the DG for approval to use a specific taxable period. Example of the taxable period are as follows:

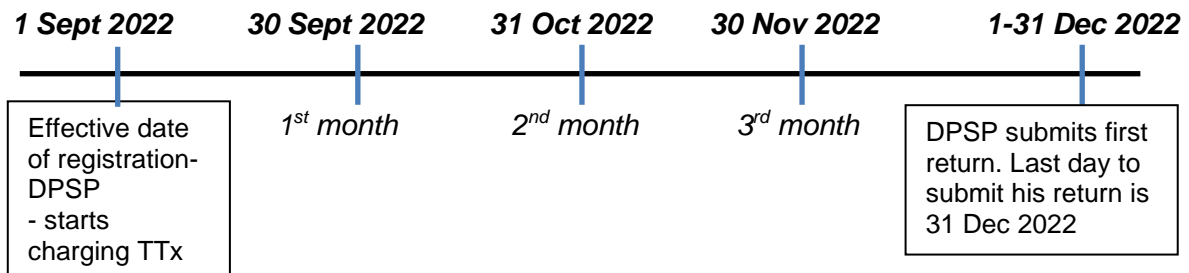
Filing Frequency	Taxable Period		
Registration Effective Date	1 July 2022	1 Aug 2022	1 Sept 2022
First Assigned Taxable Period	July – Sept 2022	Aug – Oct 2022	Sept - Nov 2022
Subsequent Taxable Period (Every quarterly)	Oct– Dec 2022 Jan – Mar 2023 Apr – June 2023	Nov 2022– Jan 2023 Feb – Apr 2023 May – Jul 2023	Dec 2022– Feb 2023 Mar – May 2023 June – Aug 2023

**Table 1**

24. A registered DPSP is required to account for TTx in the TTx-03A return to be furnished to the DG on a regular basis according to the taxable period.

**Example 8**

*Illustration of submission of TTx-03A statement for a registered DPSP having a taxable period every 3 months;*



25. Any DPSP who has registered BEFORE effective date and the registration effective date is on 1 January 2022, the taxable period is as follows:

**Example 9**

*Visit.com apply for registration on 3 Oct 2021. The effective date to charge TTx will be on 1 January 2022. Visit.com first taxable period will be in the month of 1 January – 31 March 2022. He is required to submit his first return not later than 30 April 2022.*

Apply for registration	Registration Effective date	First Taxable period	Return Submission Due Date is On or Before
3 Oct 2021	1 January 2022	Jan – Mar 2022	30 Apr 2022

**Table 2**

26. DPSP may make a written application to the DG for changes of taxable period. After obtained an approval, the new taxable period will takes effect on the subsequent taxable period.

**Example 10**

*In relation to Example 9, Visit.com would like to manage their taxable period according to the financial year end which ends on 30 April. Therefore, Visit.com*

may have to make an application to the DG to change his taxable period to suit his financial year end. After given an approval, a new taxable period will be assigned to him as follows:

Registration Effective date	Apply for new taxable period on	Taxable period	Due Date to submit return & Payment
1 Jan 2022	25 Jan 2022 (Within first taxable period) Financial Year End is on 30 April	<ul style="list-style-type: none"> <li>○ New First Taxable Period: <i>1-31 Jan 2022</i></li> <li>○ Subsequent Taxable Period: <i>Feb – Apr 2022</i> <i>May – Jul 2022</i> <i>Aug – Oct 2022</i></li> </ul>	<ul style="list-style-type: none"> <li>○ <i>28 Feb 2022</i></li> <li>○ Subsequent Taxable Period: <i>31 May 2022</i> <i>31 Aug 2022</i> <i>30 Nov 2022</i></li> </ul>

**Table 2**

## FURNISHING A RETURN

27. Every DPSP shall, in respect of his taxable period, to account for the TTx collection in a return according to the taxable period given. He shall furnish to the DG in the prescribed manner not later than the last day of the month following after the end of the DPSP's taxable period to which the return relates.

## MANNER OF FURNISHING RETURN

28. DPSP shall furnish a return and account for TTx using TTx-03A form. The return shall be furnished to the DG on quarterly basis according to the taxable period as prescribed under Section 20I TTx Act 2017. Kindly refer to Manual for Return and Payment (DPSP) for further detail.

## **MANNER OF MAKING PAYMENT**

29. DPSP is required to make payment to the DG the amount of TTx due and payable not later than the last day of the month following after the end of his taxable period as prescribed under Section 20i TTx Act 2017.

30. Any payment of TTx, penalty, or any other money payable under TTx Act 2017 shall be made to the DG through electronic banking as below:

- a) Telegraphic transfer (TT) or
- b) Financial Process Exchange (FPX) – this method will require DPSP to have bank account in Malaysia.

31. DPSP are required to ensure and submit TTx-03A or TTx-03A amendment (if any) before making any payment.

32. Payment of TTx, penalty or any other money by DPSP shall be deemed to be paid when the payment is received by the DG and is credited to the RMCD's account.

33. Any amount of TTx, penalty or any other money can only be done in **Ringgit Malaysia (MYR)** and the **amount** shall be the amount as declared in the TTx-03A or other bills (e.g. Bill of Demand).

34. Any bank's fees or charges related to the payment transaction, shall be borne by the **DPSP**.

35. DPSP are required to make payment to the DG on the TTx collected. Kindly refer to Manual for Return and Payment (DPSP) for further detail.

## **COMPLIANCE AND ENFORCEMENT**

36. Any registered DPSP who fail to comply with any provision under Tourism Tax Act 2017 may commit an offence and subject to penalty. A penalty may be imposed on the following scenarios:

- a) Fail to apply for registration
- b) Late or fail to file TTx-03A returns
- c) Submit an incorrect TTx-03A returns
- d) Late or fail to pay TTx due and payable
- e) Fail to issue invoice or document as required by the TTx legislation
- f) Fail to keep records
- g) Refuse to permit any senior officer of Customs to access to the place or premises
- h) Any other offences as prescribed under the Act.

37. Any DPSP who late to pay TTx wholly or partly after the last day on which it is due and payable, the DPSP shall pay a penalty of:

- (i) ten percent of the amount of TTx remain unpaid for the first thirty-day period;
- (ii) an additional penalty of ten percent of the amount of TTx remains unpaid for the second thirty-day period that the TTx is not paid wholly or partly after the expiry of the period; and
- (iii) an additional penalty of ten percent of the amount of TTx remains unpaid for the third thirty-day period that the TTx is not paid wholly or partly after the expiry of the period.
- (iv) that TTx is not paid wholly or partly after the expiry of the period;

38. The example of penalty calculation is as follows:

***Example 11***

*YuziTravel.com is a DPSP who apply for registration on 3 Dec 2021. The effective date to charge TTx will be on 1 Jan 2022. YuziTravel.com required to submit his first return and make payment of TTx on or before 30 April 2022. He only make the full payment of TTx on 30 June 2022.*

The calculation of the penalty is as follow:

Taxable Period	Payment Date	Tourism Tax			Penalty Rate %	Penalty (RM)
		Tax (RM)	Tax Paid (RM)	Balance (RM)		
1.01.2022 – 31.03.2022 Last Day of Payment to be made 30.04.2022	30.04.2022	10,000	-	10,000		
	1.05.2022-30.05.2022		-	10,000	10% x RM10,000	1,000
	31.05.2022-29.06.2022		-	10,000	10% x RM10,000	1,000
	30.06.2022-29.07.2022		10,000		10% x RM10,000	1,000
					Total Penalty	3,000
Note: Penalty is imposed on balance payable						

**Table 3**

Based on the calculation made by YuziTravel.com, the amount of TTx to be accounted for to RMCD is RM10, 000. However, on 1 May 2022, YuziTravel.com yet to pay the amount of tax due and payable. YuziTravel.com shall pay an additional 10% (RM1, 000) penalty for the late payment.

In addition, 30 days later on 31 May 2022, YuziTravel.com still failed to make such payment to RMCD. A further 10% (RM1, 000) penalty is imposed to him at a value of RM10, 000.

Subsequently, after 30 days, on 30 June 2022, YuziTravel.com still fail to make payment to RMCD where the final penalty of 10% (RM1, 000) will be imposed to the RM10, 000. Hence, the total amount of penalty is RM3, 000 (RM1, 000+RM1, 000+RM1, 000).

## FREQUENTLY ASKED QUESTION

**Q1: Mr. Fayyadh makes an accommodation booking via Izzy.com whom registered under TTx. Does Izzy.com has to collect TTx from Mr. Fayyadh?**

A1: Yes, Izzy.com are required to collect TTx from Mr.Fayyadh.

**Q2: Miss Tish makes accommodation booking via FayStay.com and opts to pay later at FarEast Hotel in Pulau Langkawi. FarEast Hotel will collect the room rates from Miss Tish directly. Who should be liable to collect the TTx?**

A2: FayStay.com is liable to charge and collect the Tourism Tax.

**Q3: When a tourist who booked accommodation through DPSP subsequently extended their stay directly with the accommodation premise operator, who is liable to collect the TTx for the additional stay period?**

A3: Tourists who booked accommodation through DPSP can extend their stay and the accommodation premise operator shall collect such TTx for the additional stay. DPSP should not be liable to collect the TTx for the additional stay period unless the additional stay period is booked using the online platform.

**Q4: When should the DPSP collect the TTx from tourist?**

A4: TTx should be collected from tourist by DPSP upon booking via the platform. Based on Sec. 20(I)(1) of the Act, the DPSP shall account for TTx when payment is received by the hotels from the tourists.

**Q5: A backpacker accommodation operator is not required to register and collect TTx. If a backpacker booked a backpacker accommodation through DPSP, will he be charged TTx?**

A5: Yes, any booking of accommodation premises made through DPSP shall be subject to TTx. E.g. 7 backpackers' traveller individually book a bed each in a room with 7 beds, TTx of RM10 will be charged for each booking made. Hence, total TTx charged is RM70.

**Q6: Currently, there is an exemption from collecting tourism tax and registration given to certain accommodation premise operators such as operator of a *homestay / kampungstay* operator, operator with 4 accommodation rooms or less and other operators as listed under item 3, Tourism Tax (Exemption) Order 2017. How would DPSP differentiate the status of these operators and whether TTx need to be charged for any booking of accommodation premise provided by these operators through digital platform?**

A6: There is no exemption from collecting tourism tax given to the DPSP. Thus, the DPSP does not have to differentiate the status of the accommodation premise operators and he shall charge the tourism tax for any booking of that accommodation premise made through digital platform.

**Q7: Q50 in General Guide on Tourism Tax (as at 17 May 2018), stated that accommodation premises excludes 'innovative' accommodations such as Apache-type hotels, caravan, container, bustel, boat house, tree house, sleeping tube, tents, cruise, and such similar accommodations premise operators who are not required to register for Tourism Tax. If the innovative accommodations were listed in the online platform operated by DPSP, will the DPSP require to impose TTx on the bookings?**

A7: Yes, the DPSP are liable to charge TTx on all online platform booking of accommodation premise including the 'innovative' accommodation.

**Q8: Tourist can make booking on a 3 bedrooms Paddock Service Apartment through an online platform. Will the TTx be imposed on the unit or according to the numbers of room?**

A8: If the serviced apartment with 3 bedrooms is booked as one unit, then the Tourism Tax of RM10/room/night will be imposed to the unit only. However, if the reservation via DPSP is made separately on the room basis, then TTx shall be imposed on each of the room.



**Q9: John make an accommodation booking through an online platform and provides inaccurate information which resulted in TTx not been collected. Who will be responsible for the TTx if any tourist provide inaccurate information?**

A9: If the due diligence has been done to obtain the information required from the tourists, the DPSP will not be responsible for any inaccurate information provided by the tourist, of which may result in under-collection of TTx.

**Q10: Does DPSP compulsory to collect private data such as passport no. or ID no. to ensure the nationality of the traveler?**

A10: Yes. The DPSP should make an appropriate adjustment in its system to capture the information that is to identify the citizenship of the tourists.

**Q11: Hotels may have their own booking platform to facilitate guests to book their accommodation rooms online. The platform only allows guests to book accommodation rooms at the hotels (or hotels within the same group) but not for other hotels. In such a case, would TTx be collected at the hotel when the guests check-out or would the TTx be collected upon booking made on the online platform?**

A11: If a hotel having their own online platform to facilitate bookings for their own hotel room reservation only and not collecting any payment at the point of booking, the hotel is not regarded as providing DPSP. The TTx will be collected by the hotel upon guest checking out.

However, the hotel shall register as DPSP if he provides online platform room reservation within the same chain of hotels or other hotels and shall be liable for the TTx.

**Q12: If the tourists cancel their bookings, can a credit note be issued?**

A12: Yes, DPSP may make an adjustment on the cancellation of booking by issuing credit note. If the DPSP has remitted the amount of TTx to RMCD, he shall make an adjustment in the relevant TTx-03A return.

## **INQUIRY**

For any inquiries for this guide please contact:

- (i) Internal Tax Division  
Royal Malaysian Customs Department  
Level 3 - 7, Block A, Menara Tulus,  
No. 22, Persiaran Perdana, Presint 3,  
62100 Putrajaya.

## **FURTHER ASSISTANCE AND INFORMATION ON TTx**

Further information on can be obtained from:

- (i) Website : [www.mytx.customs.gov.my](http://www.mytx.customs.gov.my)
- (ii) Customs Call Centre :
- Tel : 03-7806 7200 / 1-300-888-500
  - Fax : 03-7806 7599
  - Email: [ccc@customs.gov.my](mailto:ccc@customs.gov.my)