



**ROYAL MALAYSIAN CUSTOMS DEPARTMENT**

**GENERAL GUIDE  
ON TOURISM TAX**

## **Publication**

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The General Guide on Tourism Tax revised as at 31 August 2017 is withdrawn and replaced by the General Guide on Tourism Tax dated as at 26 September 2017.

The General Guide on Tourism Tax may be withdrawn, either wholly or in part, by publication of a new guide.

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## **INTRODUCTION**

1. This guide is prepared to assist operators who provide accommodation premises and to tourists that stays at such premises in understanding matters that will impact them relating to the implementation of Tourism Tax (TTx).

### **Overview of Tourism Tax**

2. The implementation of TTx is provided for under the following legislation:
- a) Tourism Tax Act 2017;
  - b) Tourism Tax Regulations 2017;
  - c) Tourism Tax (Rate of Tax) Order 2017;
  - d) Tourism Tax (Exemption) Order 2017; and
  - e) Appointment of Date of Coming into Operation Order 2017

## **DEFINITION**

### **Tourist**

3. The term "tourist" has been defined in Section 2 of the Tourism Industry Act 1992 as follows:

- any person, whether he is a Malaysian national or otherwise, visiting any place in Malaysia for any of the following purposes, namely--
  - a) pleasure, recreation or holiday;
  - b) culture;
  - c) religion;
  - d) visiting friends or relatives;
  - e) sports;
  - f) business;
  - g) meetings, conferences, seminars or conventions;
  - h) studies or research;
  - i) any other purpose which is not related to an occupation that is remunerated from the place visited.

**Example 1**

*An Indonesian national makes a visit to Melaka to seek medical treatment at Eye Specialist Medical Centre. During the duration of his treatment he stays at Belle Hotel nearby. He is considered a tourist under item 3(i) as stated above and his stay is subject to tourism tax.*

**Example 2**

*A foreign resident manager of Hotel Baiduri is provided a room to stay in the hotel because of the nature of his work. He is not considered a tourist under item 3(i) and his stay is not subject to tourism tax.*

**Accommodation Premises**

4. The term "accommodation premises" has been defined in Section 2 of the Tourism Industry Act 1992 as follows:

- any building, including hostels, hotels, inns, boarding-houses, rest houses and lodging houses, held out by the proprietor, owner or manager, either wholly or partly, as offering lodging or sleeping accommodation to tourists for hire or any other form of reward, whether or not food or drink is also offered.

5. Accommodation premises as defined under para 4 above includes "tourist accommodation premises" as defined in Section 2 of the Tourism Industry Act 1992.

6. 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.

7. A person operating or managing accommodation premises is called an operator under Tourism Tax Act 2017.

**Charging of TTx on accommodation premises**

8. In the case where there are accommodation premises such as houses or apartments managed by an operator, irrespective of whether such premises are in the same locality (clustered or positioned together i.e. serviced apartments) or scattered (not clustered), the operator is required to be registered if having 5 accommodation rooms or more.

**Example 3**

*An operator manages 1 accommodation premise which is a house located in Putrajaya having 3 rooms to be let. Operator is not liable to be registered.*

**Example 4**

*An operator manages 2 accommodation premises which are 2 houses located in Putrajaya and Kajang, each house having 3 rooms to be let. Total number of rooms to be let is 6. Operator is liable to be registered.*

**Example 5**

*An operator manages 4 accommodation premises which are 4 houses located in Putrajaya, Kajang, Alor Setar and Johor Bharu, each house having 2 rooms to be let. Total number of rooms to be let is 8. Operator is liable to be registered.*

**Example 6**

*An operator manages 5 accommodation premises which are 5 houses located in Putrajaya (2 houses), Kajang, Alor Setar and Johor Bharu, each house having 1 room to be let. Total number of rooms to be let is 5. Operator is liable to be registered.*

**Example 7**

*An operator manages 4 accommodation premises which are 4 houses located in Putrajaya, Kajang, Alor Setar and Johor Bharu, each house having 1 room to be let. Total number of rooms to be let is 4. Operator is not liable to be registered.*

**Example 8**

*An operator manages 1 accommodation premise located in Putrajaya having 5 rooms to be let. Operator is liable to be registered.*

**Example 9**

*An operator manages 3 accommodation premises located in Putrajaya having a total of 5 rooms but operator charges on a whole house basis. Operator is liable to be registered.*

**Example 10**

*An operator manages 1 accommodation premise located in Putrajaya having a total of 5 rooms but operator only lets out 1 room. Operator is NOT liable to be registered.*

**Operator**

9. The term “operator” has been defined in Section 2 of the Tourism Tax Act 2017 as any person operating accommodation premises.

10. The operator must operate or offer services similar to a central management body setup to handle among others housekeeping, security, dedicated parking and lifts, accounting (collection, payment, and refunds), handling of bookings and cancellations, furnishings, etc. The operator either charges a management fee to the owner of the premises for his services or is owned and managed by the operator himself. Hence, an operator does not include any person who merely rents out his premises and collects rental payments and does not provide any other services.

**Example 11**

*A Malaysian national owns a 5 room condominium in Shah Alam and he rents it out to a foreign national working in Malaysia. A tenancy agreement was drawn up for a period of 3 years.*

**IMPOSITION AND RATE OF TOURISM TAX**

11. TTx is a tax charged and levied on a tourist staying at any accommodation premises made available by an operator at the rate of tax fixed at RM 10.00 per room per night. It is the duty of the tourist to pay TTx to the operator.

12. It is the duty of the operator who provides accommodation to a tourist in an accommodation premise to collect tourism tax from the tourist upon check-out and pay the tourism tax collected or liable to be collected to RMCD.



13. TTx is to be imposed on an overnight stay when the room rate is charged. An invoice must be issued. Day use rooms is not subject to TTx unless the tourist is charged a room rate by the operator and that room rate is the rate for per room per night.

**Example 12**

*Room rate per night at Seafront Hotel is RM150. A tourist used the room for 2 hours and is charged RM50. TTx is not charged on the rate of RM50 as the operator did not charge the tourist RM150 for the 2-hour stay.*

14. No TTx to be imposed on early check-in and late check-out if there are no room charges imposed. However, complimentary night stay offered by an operator to a tourist is subject to TTx.

15. If there are more than one tourist staying in the same accommodation at the same time and the tourism tax for that accommodation has been paid by any one of the tourists, the other tourists staying in the same accommodation at the same time are not liable to pay tourism tax for that accommodation.

**Deposit**

16. There may be occasions where a deposit or booking fee is received by an operator for accommodation. TTx is not accounted on the date the deposit/ fee is received but at the time the tourist checks out.

17. However, in the case of a GST registered operator, he needs to account for the GST at the time he receives the deposit/ fee provided the deposit/ fee is considered as payment for the provision of accommodation.

## Room Night

18. "Night" count will start when a tourist check-in and ends when tourists check-out. If tourists check-in and check-out on the next day, the stay will be counted as one night provided the tourists check-in and check-out at the time stipulated by the operator.

### **Example 13**

Check in : 4 Dec 2017, 5.00 pm  
Check out : 4 Dec 2017, 8.00 pm  
Length of stay : 1 night

### **Example 14**

Check in : 4 Dec 2017, 11.00 pm  
Check out : 5 Dec 2017, 2.30 am  
Length of stay : 1 night

### **Example 15**

Check in : 4 Dec 2017, 3.00 pm  
Check out : 6 Dec 2017, 11.00 am  
Length of stay : 2 nights

## Computation of Tourism Tax

19. TTx is to be computed as follows:

### **Example 16**

Occupancy of 1 room for 1 night and the room charge is RM 500 per room per night in a registered accommodation premise for TTx with heritage charge imposed.

Charges	Rate	Amount (RM)
Room charge /room /night	RM 500 x 1 room/night	500.00
Service charge (10%)	RM 500 x 10%	50.00
GST (6%)	RM 550 x 6%	33.00
TTx	RM 10 x 1 room/night	10.00
Heritage charge	RM 2 x 1 room/night	2.00
<b>TOTAL</b>		<b>595.00</b>

**Example 17**

Occupancy of 2 rooms for 3 nights and the room charge is RM 75 per room per night in a registered accommodation premise for TTx with heritage charge imposed.

<i>Charges</i>	<i>Rate</i>	<i>Amount (RM)</i>
<i>Room charge</i>	<i>RM 75 x 2 rooms x 3 nights</i>	<i>450.00</i>
<i>Service charge (10%)</i>	<i>RM 450 X 10%</i>	<i>45.00</i>
<i>GST (6%)</i>	<i>RM 495 x 6%</i>	<i>29.70</i>
<i>TTx</i>	<i>RM 10 x 2 rooms x 3 nights</i>	<i>60.00</i>
<i>Heritage charge</i>	<i>RM 2 x 2 rooms x 3 nights</i>	<i>12.00</i>
<b>TOTAL</b>		<b>596.70</b>

**TRANSITIONAL**

20. Every operator who operates accommodation premises before 1<sup>st</sup> September 2017 is required to be registered and charge TTx to the tourist based on the time the tourist begins his stay. The period of stay that will be subject to TTx will be for the duration on and after 1<sup>st</sup> September 2017.

21. As regards pre-bookings before 1 September 2017 for a stay on or after 1 September 2017, is subject to TTx. No exemption from charging TTx is given for contracts made prior to 1 September 2017.

22. A tourist check-in before 1 September 2017 and check-out on 1 September 2017 on or before the stipulated check-out time or any extended time allowed by the operator without any charges, the stay is not subject to TTx.

**Example 18**

*Check-in date*                      *31 August 2017 at 11.30pm*

*Check-out date*                    *2 September 2017 at 10.30am*

*The tourist is required to pay TTx for one night stay.*

**Example 19**

Check-in date                    31 August 2017 at 3.00pm

Check-out date                 31 August 2017 at 12.00midnight

*The tourist is not required to pay TTx.*

**Example 20**

Check-in date                    31 August 2017 at 11.00pm

Check-out date                 1 September 2017 at 5.00am

*The tourist is not required to pay TTx.*

**Example 21**

Check-in date                    31 August 2017 at 6.00pm

Check-out date                 1 September 2017 at 1.00am

*The tourist is not required to pay TTx.*

**Example 22**

Check-in date                    1 September 2017 at 00.30am

Check-out date                 1 September 2017 at 5.00am

*The tourist is not required to pay TTx.*

**Example 23**

Check-in date                    1 September 2017 at 12.30am

Check-out date                 2 September 2017 at 6.00pm (extended stay with a charge)

*The tourist is required to pay TTx for one night stay.*

**Example 24**

Check-in date                    1 September 2017 at 2.30am

Check-out date                 2 September 2017 at 12.00pm.

*The tourist is required to pay TTx for one night stay.*

## EXEMPTION FROM TOURISM TAX

23. Under paragraph 2 of the Tourism Tax (Exemption) Order 2017, the following tourists are exempted from the payment of the whole of TTx when they stay at any accommodation premise in Malaysia:

- a) a tourist who is a Malaysian national; and
- b) a tourist who is a permanent resident of Malaysia. (holds MyPR card)

24. Under paragraph 3 of the Tourism Tax (Exemption) Order 2017, the following operators are exempted from registration and collecting of TTx:

- a) An operator who operates homestay as determined by the Ministry of Tourism and Culture Malaysia under the Pengalaman Homestay Malaysia Programme and is registered with Ministry of Tourism and Culture Malaysia;
- b) An operator who operates *kampungstay* determined by the Ministry of Tourism and Culture Malaysia under the Visit My Kampung Programme: Kampungstay and is registered with Ministry of Tourism and Culture Malaysia;
- c) The Federal Government, State Government, statutory body, local authority or private higher educational institutions registered under Private Higher Educational Institutions Act 1996[Act 555] operating accommodation premises that provide accommodation to any person for educational, training or welfare purposes;

### **Example 25**

*As an illustration of accommodation premises which are exempted from registration and collecting TTx under item (c) above are as follows:*

- (i) Akademi Kastam Diraja Malaysia*
- (ii) Lanai Kijang Bank Negara Malaysia*
- (iii) Institut Latihan Dewan Bandaraya Kuala Lumpur*
- (iv) HELP Residence, HELP University*
- (v) Pusat Transit Gelandangan Kuala Lumpur*

- d) The employer operating accommodation premises as a facility to their employees;

**Example 26**

*As an illustration of accommodation premises which are exempted from registration and collecting TTx under item (d) above are as follows:*

- (i) Rumah Peranginan Persekutuan*
  - (ii) Rumah Rehat Kerajaan Negeri*
  - (iii) Rumah Peranginan Bank Negara Malaysia*
  - (iv) Rumah Peranginan Tenaga Nasional Berhad*
- e) A religious or welfare body approved by the Minister, operates accommodation premises for the purpose of religious or welfare activities and not for commercial purpose, registered with the Registrar of Societies Malaysia or under any written law governing such body; and
- f) An operator of accommodation premises having four accommodation rooms or less.

25. Operators which fall under paragraph 24(d) that outsource their accommodation premises to a third party operator where the accommodation provided is for a purpose other than as a facility to their employees, the third party operator is required to be registered under Tourism Tax Act 2017.

26. Under subsection 9(2) Tourism Tax Act 2017, the Minister has the power to exempt any person from all or any provisions of the Tourism Tax Act 2017.

**REGISTRATION**

27. Every operator who is now providing accommodation premises and is liable to be registered, is required to register for TTx before 1 September 2017. An operator who begins to provide accommodation premises on or after 1 September 2017 and is liable to be registered, is required to register within thirty (30) days from the date the operator operates the accommodation premises.

28. An application has to be made and submitted electronically to the Director General in form TTx-01. The Director General will register the operator who applies for registration with effect from the first day of the following month after the application is submitted.

**Example 27**

*Champion Chalet in Langkawi operates accommodation premises on 3 August 2017 and need to apply for registration to the Director General before 1 September 2017. Champion Chalet applies for registration on 25 August 2017. The Director General will register Champion Chalet and his effective date of registration is on 1 September 2017.*

**Example 28**

*Sunshine Inn operates accommodation premises on 6 November 2017 and therefore the last day Sunshine Inn needs to apply for registration to the Director General is 5 December 2017. Sunshine Inn applies for registration on 3 December 2017. The Director General will register Sunshine Inn and his effective date of registration is on 1 January 2018.*

29. The Director General has the power to register any person who operates accommodation premises registered as a tourist accommodation premises under section 31C of the Tourism Industry Act 1992 or any person who operates accommodation premises and are still not registered before 1 September 2017.

30. The Director General shall register each accommodation premise of the operator and assign him:

- a) a Tourism Tax Identification Number; and
- b) a Certificate of Registration as an Accommodation Premise Operator.

31. The operator must display the certificate for each premise in a conspicuous place at the place where the accommodation is provided.

32. An operator is required to notify the senior officer of customs at the controlling customs station immediately in writing if there is any change in the following pursuant to sub regulation 5 (1) of the Tourism Tax Regulations 2017:

- a) name of his business;
- b) address of any place of his business;

- c) status of his business;
- d) rating of his accommodation premise; or
- e) number of rooms of his accommodation premises.

33. The operator is allowed to make amendments online at the MyTTx portal other than what is stated in sub regulation 5 (1) of the Tourism Tax Regulations 2017 which is set out above.

34. Any operator who ceases to operate accommodation premises or is given exemption under subsection 9(2) of the Tourism Tax Act 2017 by the Minister has to notify the Director General in writing within thirty (30) days from the date of cessation or exemption.

35. An operator who is late in registering for TTx will be assessed an amount of TTx from the date he should be registered. RMCD will notify the operator of the assessment in writing and may include any penalty due from and payable by him. In addition, the operator may be offered a compound for the offence of not registering within the stipulated time.

### ***Example 29***

*An operator is liable to be registered before 1 February 2018 and should have been registered on 1 March 2018. However, the operator makes an application on 3<sup>rd</sup> June 2018 with an effective date of registration on 1 July 2018. Hence, TTx and penalties due and payable by him will be assessed and collected from him from 1 March 2018 to 30 June 2018. The operator may be compounded for the offence made.*

## **INVOICE, RECORDS, RETURNS AND ASSESSMENT**

36. This section explains the types of records that you are required to keep in relation to transactions you make or receive, as an operator registered under the Tourism Tax Act 2017.

### **Invoice**

37. Every operator is required to issue an invoice, receipt or other document in the National language or in the English language to the tourist in respect of the accommodation provided and must state the rate and amount of TTx payable separately from the charges for the



accommodation provided by the operator. Other document includes local order and statement of account.

**Example 30**

*Aleta and Arabella work in Singapore. They attended a meeting in Langkawi and stayed in a twin-sharing room at a hotel for 5 days 4 nights. The room is registered under Arabella's name. Upon checking out, the hotel has to issue an invoice and charge TTx of RM40 to Arabella. The hotel is not allowed to split the TTx amount to both Aleta and Arabella in different invoices for the same accommodation.*

38. Any person who is not a registered operator is not allowed to issue an invoice, receipt or other document showing an amount which purports to be TTx.

39. If the TTx is not charged in the invoice, the operator is encouraged to state the reason for not imposing TTx for audit purposes even though the reason of exemption from payment is not a mandatory requirement to be stated in the invoice.

40. An operator is treated to have issued an invoice, receipt or other document to a tourist if the requisite particulars are recorded in a computer and transmitted or made available to the tourist by electronic means or produced on any material and is delivered to the tourist.

41. For operators not registered for GST, details to be included in the invoice, receipt or other document to the tourist are as follows:

- a) the invoice serial number;
- b) the date of the invoice;
- c) the name, address and the Tourism Tax Identification Number of the operator;
- d) the name and address of the person to whom the accommodation premises are provided; and
- e) the rate and amount of TTx payable, separately from the charges for the accommodation provided by the operator.

42. The additional details required in the tax invoices for operators registered with GST are as follows:

- a) the Tourism Tax Identification Number of the operator; and
- b) the rate and amount of TTx payable, separately from the charges for the accommodation provided by the operator.

43. Sample of invoices can be viewed in **APPENDIX 1**.

### **Credit Note and Debit Note**

44. If an operator issues a credit note or a debit note due to a change in the rate of TTx or due to any adjustment in the course of business, he must make an adjustment in his return as provided under section 16 of the Tourism Tax Act 2017 and Regulation 7 of the Tourism Tax Regulations 2017.

45. If he issues a credit note or a debit note due to a change in the rate of TTx, the operator has to make adjustment in the return for the taxable period where the change in rate occurs.

46. If he issues a credit note or a debit note due to any adjustment in the course of business, the operator has to make adjustment in the return for the taxable period in which the debit note or credit note is issued.

47. Where the operator has ceased to be registered under Tourism Tax Act 2017, the operator has to make adjustment in the return for the last taxable period during which he was an operator.

48. If a credit note is issued under section 24 of the Tourism Tax Act 2017, e.g. due to cancellation of accommodation, the operator must make an application to the Director General to obtain an approval to deduct from his return the amount of TTx the operator had refunded to the tourist . Such deduction must be made in the return for the taxable period in which the credit note is issued within one year from the date the TTx was refunded to the tourist.

49. The operator must provide documentary evidence to the Director General that he has issued the credit note and refunded or paid the amount of TTx to the tourist concerned.

50. A credit note or debit note must contain the following particulars:

- a) the words “credit note” or “debit note” in a prominent place;
- b) the serial number and date of issue;
- c) the name and address of the person to whom the accommodation premises are provided;
- d) the reason for the issuance;
- e) the numbers of accommodation and nights for each accommodation;
- f) the total amount excluding TTx;
- g) the rate and amount of TTx; and
- h) the number and date of the original invoice

### **Record Keeping**

51. It is a requirement that an operator keeps records which affects his liability to collect TTx for seven (7) years and the records must be in English or National language. The records must be kept in Malaysia unless otherwise approved by the Director General.

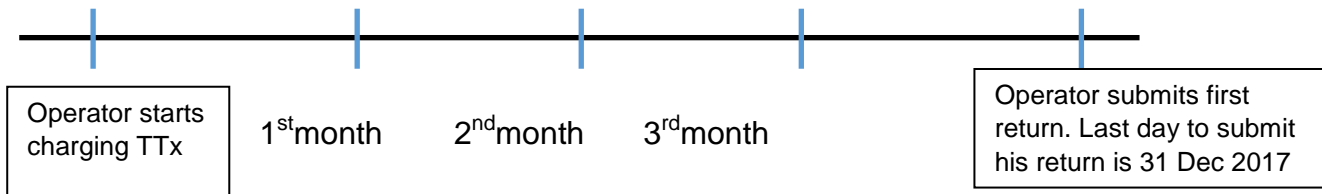
52. Therefore, an operator is required to preserve all the records pertaining to any TTx transactions (name and passport no. of tourist, check-in and check-out date, room rate, amount of tax, etc.) and related adjustment if any and it must be aligned with the requirement under section 17 of the Tourism Tax Act 2017.

53. Where records are kept in an electronically readable form, such records must be readily accessible and easily converted into writing. Where records are initially kept in manual form but subsequently converted into electronic form, the records are required to be retained in its original form prior to its conversion.

### **Taxable Period**

54. Every operator will be assigned a taxable period for which he is required to account for tax in his return to be furnished to the Director General. An operator who is not registered for GST, his taxable period to submit his return for TTx shall be a period three months ending on the last day of any month of any calendar year.

1 Sept 2017    30 Sept 2017    31 Oct 2017    30 Nov 2017    1-31 Dec 2017



55. An operator who is also registered under the Goods and Services Tax Act 2014 shall be assigned with the same taxable period for the purposes of TTx, i.e. monthly, quarterly or varied taxable period as the case may be.

## ACCOUNTING FOR TTx

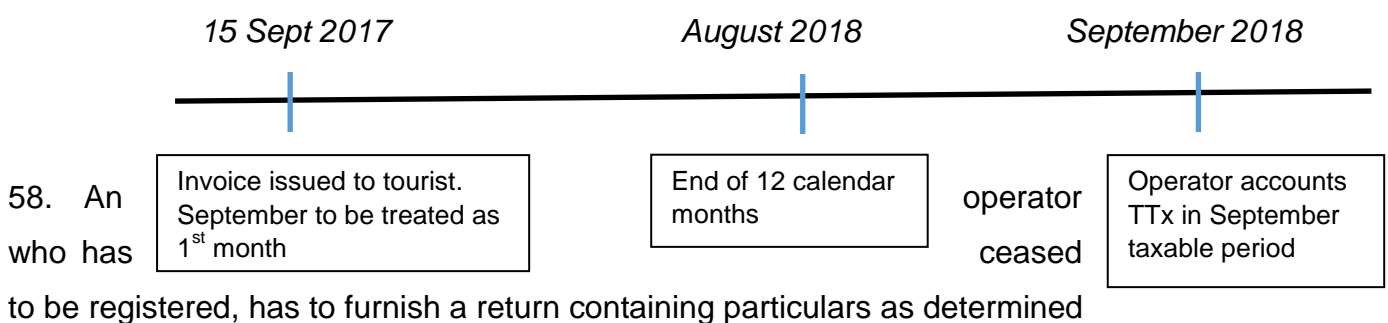
### Tourism Tax Return and Payment

56. Every operator is required to account for the TTx received in a return for each taxable period by using the Form TTx-03 and to be furnished to the Director General not later than the last day of the month following after the end of his taxable period to which the return relates.

57. If the operator does not receive from the tourist the whole or any part of the TTx within a period of twelve calendar months from the date of the invoice for the accommodation provided, he has to account for the TTx in the return in the taxable period following after the end of that period of twelve (12) calendar months.

#### **Example 31**

*Invoice issued on 15 September 2017. For monthly taxable period, the 12 calendar months expire at the end of August 2018 and the operator has to account for TTx in the return in the September taxable period.*



by the Director General in respect of that part of the last taxable period during which the person was registered not later than thirty (30) days after he ceased registration.

59. An operator is required to furnish a return and make payment to the Director General the amount of TTx due and payable in respect of the taxable period to which the return relates not later than the last day on which the operator is required to furnish the return.

60. If the operator does not received any payment of TTx during the taxable period, he still has to furnish a return to the Director General.

Illustration of submission of returns by a GST registered operator

Taxable period		1 <sup>st</sup> Sept 2017	Submission of 1 <sup>st</sup> return	Types of return
Monthly		Start charging TTx	1.10.17 – 31.10.17	2 returns : GST & TTx
Quarterly	Jun - Aug 2017		None (TTx not yet implemented)	1 return : GST No TTx return
	July - Sept 2017		1.10.17 – 31.10.17	2 returns : GST & TTx TTx : collect tax in Sept only
	Aug – Oct 2017		1.11.17 – 30.11.17	2 returns : GST & TTx TTx : collect tax in Sept and Oct only
	Sept – Nov 2017		1.12.17 – 31.12.17	2 returns – GST & TTx TTx – collect tax in Sept until Nov

**Correction of Errors**

61. If there is a correction of error to be made in any return furnished to the Director General, the operator may:

- a) if the correction relates to a current return where it is still within the period of submission allowable, the correction may be made in the current return and re-submitted.

**Example 32**

**Current return:**

<i>Taxable period</i>	<i>1 Jan 2018 – 31 Mar 2018</i>
<i>Due date to submit return</i>	<i>30 Apr 2018</i>
<i>Submit return</i>	<i>20 Apr 2018</i>
<i>Correction on current return</i>	<i>28 Apr 2018</i>

- b) if the correction relates to a previous return, the correction must be made in a new return which is considered as a supplementary return.

**Example 33**

**Previous related return:**

<i>Taxable period</i>	<i>1 Oct 2017 – 31 Dec 2017</i>
<i>Due date to submit return</i>	<i>31 Jan 2018</i>
<i>Error detected on previous return</i>	<i>8 Feb 2018</i>
<i>Correction in new return</i>	

**Manner of Furnishing Return and Payment**

62. The operator has to submit the return by post or electronic service to the Director General. Returns which are submitted by post must be sent to the following address:

**Tourism Tax Processing Center**

Royal Malaysian Customs Department,  
Kompleks Kastam WPKL,  
22, Jalan SS 6/3 Kelana Jaya,  
47301 Petaling Jaya.

63. A return is deemed to be furnished:
- in the case of delivery by post, on the date of the postmark; or
  - in the case of delivery by electronic services, when such return has been received by the Director General through the electronic services.

64. Payment of TTx and any penalty payable can be made by post (cheque or bank draft only) or electronic services to the Director General. The TTx or penalty (if any) is deemed to be paid when payment is received by the Director General provided that:

- a) when payment is made by cheque or bank draft, the amount is deemed received by the Director General when paid on presentation;
- b) when payment is made through a bank, the amount is deemed received by the Director General when such amount is credited to the Director General's account.

65. Cash payments or payment by cheque or bank draft made personally is not allowed.

66. Operators are encouraged to make payments early to allow sufficient time for cheque clearance and henceforth to avoid the imposition of penalties due to late payment.

67. If TTx due and payable is not paid wholly or partly by any operator after the last day on which it is due and payable and no prosecution is instituted, the operator has to pay—

- a) for the first thirty-day (30) period that the TTx is not paid wholly or partly after the expiry of the period, a penalty of ten (10) per cent of the amount of TTx remain unpaid;
- b) for the second thirty-day (30) period that the TTx is not paid wholly or partly after the expiry of the period, an additional penalty of ten (10) per cent of the amount of TTx remain unpaid; and
- c) for the third thirty-day (30) period that the TTx is not paid wholly or partly after the expiry of the period, and additional penalty of ten (10) per cent of the amount of TTx remain unpaid.

**Example 34**

*Roman Hotel Sdn Bhd is an operator registered under the Tourism Tax Act 2017 and has been assigned his first taxable period as 1 Jan 2018 – 31 Mar 2018. He paid his first TTx of RM10,000 on 20 May 2018. He is subject to penalties as follows:*

<i>TTx due</i>	<i>30 Apr 2018</i>
<i>Late payment</i>	<i>20 days</i>
<i>Penalty incurred</i>	<i>RM 1,000 (RM10,000 x 10%)</i>

**Example 35**

*Home Hotel Sdn Bhd is an operator registered under the Tourism Tax Act 2017 and has failed to pay TTx RM15,000 for the taxable period of 1 Apr 2018 – 30 Jun 2018. He paid RM10,000 on 15 Oct 2018 and the balance on 7 Dec 2018. He is subject to penalties as follows:*

<i>TTx due</i>	<i>31 July 2018</i>
<i>Late payment on RM15,000</i>	<i>76 days</i>
<i>Penalty incurred</i>	<i>RM 4,500 (RM15,000 x 30%)</i>
<i>Late payment on RM5,000</i>	<i>129 days</i>
<i>Penalty incurred on balance</i>	<i>RM1,500 (RM5,000 x 30%)</i>
<b><i>TOTAL PENALTIES</i></b>	<b><i>RM 6,000</i></b>

**REMISSION, REFUND AND RECOVERY**

68. The Tourism Tax Act provides for remission, refund and recovery under the following sections:

- a) Remission under section 21 of the Tourism Tax Act 2017 and a claim may be made in the form TTx-04 and the payment of refund will be made within the time practicable from the date of application.
- b) Refund of TTx, etc., overpaid or erroneously paid under section 22 of the Tourism Tax Act 2017.
- c) Refund for Bad Debt under section 23 of the Tourism Tax Act 2017.



### **Deduction from Return of Refunded Tourism Tax**

69. Under section 24 of the Tourism Tax Act 2017, an operator can apply to the Director General to deduct from the operator's return the amount of TTx paid but subsequently refunded to the tourist within one year or such extended period after the refund was made, by reason of –

- a) cancellation of accommodation; or
- b) other reason approved by the Director General.

### **Payment by Instalments**

70. An operator may apply to the Director General to pay his outstanding TTx or penalty by instalments should such payment cause undue financial hardship to him or in other circumstances approved by the Director General. Where TTx is allowed to be paid by instalments, the penalty ceases to be calculated from the date approval by the Director General for payment by instalments.

71. Where there is a default in the payment of any one instalment on its due date for the payment of the balance of the amount due and payable or payable, the whole outstanding balance shall become due and payable or payable on that date and shall, without any further notice being served on the person liable to pay the amount due, be subject to a surcharge equal to ten (10) per cent of that balance and the surcharge shall be recoverable as if it were due and payable or payable.

### **COMPOUNDABLE OFFENCES**

72. Under section 56 Tourism Tax Act 2017, the Director General has the power to compound an amount not exceeding fifty percent (50%) of the maximum fine for the following offences:

<b>NO</b>	<b>SECTION</b>	<b>OFFENCES</b>	<b>MAXIMUM FINE</b>	<b>MAXIMUM COMPOUND</b>
1	10(3)	Operator who fails to register under section 10(1).	RM30,000	RM15,000

NO	SECTION	OFFENCES	MAXIMUM FINE	MAXIMUM COMPOUND
2	11(2)	Operator who operates accommodation premises fails to register within 30 days from the date of coming into operation of Part IV, Tourism Tax Act 2017.	RM30,000	RM15,000
3	14(3)	Any person who fails to comply with section 14(1) and (2) that is: <ul style="list-style-type: none"> <li>➤ Every operator has to issue an invoice, receipt or other document to tourists and state the rate and amount of tourism tax payable separately from the charges for the accommodation provided by the operator.;</li> <li>➤ Any person other than an operator shall not issue an invoice, receipt or other document which purports to be tourism tax.</li> </ul>	RM30,000	RM15,000
4	17(5)	Any person who fails to comply with the provision of keeping records under section 17.	RM30,000	RM15,000
5	19(6)	Any operator who fails to furnish a return under section 19(1), 19(2) and 19(3).	RM30,000	RM15,000
6	19(7)	Any operator who fails to pay tourism tax within the specified period.	RM30,000	RM15,000
7	33(4)	Any person who refuses to permit any senior officer of customs to enter any place or premises.	RM 30,000	RM15,000
8	40	Any person who makes an incorrect return or gives an incorrect information.	RM 30,000	RM15,000
9	41(2)	Any person who is not liable to collect tourism tax but collects tourism tax.	RM 30,000	RM15,000

NO	SECTION	OFFENCES	MAXIMUM FINE	MAXIMUM COMPOUND
10	42(1)	Any person who intend to evade or assist any other person to evade tourism tax.	RM 30,000	RM15,000
11	43(1)	Any person who refuses to give information to a customs officer.	RM 30,000	RM15,000
12	44	Any person who attempts to commit an offence or abets the commission of the offences.	Punishable with the punishment provided for the offence.	RM15,000
13	45	Offences not expressly provided under the Act.	RM 30,000	RM15,000
14	60(4)	Any person who fails to comply with the requirement of providing information, books, data, document or other records under section 60.	RM 30,000	RM15,000
15	66(3)	Any person who uses any form which is not printed or issued by the authority of the Director General under section 66(1).	RM 30,000	RM15,000
16	68(3)	Any liquidator who fails to give notice of winding up under section 68(1).	RM 30,000	RM15,000
17	69(3)	Any receiver appointed by the operator who fails to give notice to the Director General of the appointment as a receiver and set aside such sums from disposal of asset.	RM 30,000	RM15,000

## FREQUENTLY ASKED QUESTIONS

### Imposition of Tourism Tax

**Q1: Does TTx override or supersedes the heritage charge on every occupied room per day?**

**A1:** No, the operator must charge TTx even though heritage charge has been imposed.

**Q2: A Malaysian national (local) and foreigner both check into the same room and the local registers upon checking in. Upon checkout, the local pays for the stay. Is TTx chargeable?**

A2: Not subject to TTx because a local registered and stayed in the room. However, under a twin-sharing arrangement, the foreigner registers upon checking in and the stay will be subject to TTx at RM10 per room per night.

**Q3: A local and foreigner both check into the same room and the local registers upon checking in. Upon checkout, the foreign tourist pays for the stay. Is TTx chargeable?**

A3: Subject to TTx because room is paid by the foreigner.

**Q4: A local and foreigner both check into the same room and the foreigner registers upon checking in. Upon check-out, the foreigner pays for the stay. Is TTx chargeable?**

A4: Subject to TTx because the foreigner stayed and paid for the stay.

**Q5: A local and foreigner both check into the same room and the foreigner registers upon checking in. Upon check-out, the local pays for the stay. Is TTx chargeable?**

A5: Subject to TTx because the room is registered in the name of the foreigner.

**Q6: Executive room in boutique hotels provide extended complimentary stay for 6 hours from check-out time as a hotel practice. Is the 6 hours extended stay subject to TTx?**

A6: Not subject to TTx for extended complimentary stay.

**Q7: Is day use chargeable to TTx?**

A7: Not chargeable if the day use charge is not equal to the room rate per night.

**Q8: Is an operator charging on an hourly basis for a stay at his accommodation premise required to charge TTx?**

A8: No, he is not required to charge TTx.

**Q9: If a discount is given by a hotel operator on the room charges does the discount affect the rate of TTx?**

A9: It does not affect the rate.

**Q10: A guest makes a booking at a hotel for 10 nights stay but actually stayed for only 5 nights. What is the amount of TTx chargeable?**

A10: The amount of TTx is for 5 nights i.e. RM 50.00.

**Q11: When a foreigner made an online hotel booking book, a heritage tax will be collected upon check-in. Does TTx also apply in the same way?**

A11: No, TTx is collected upon check-out.

**Q12: Is TTx chargeable on a foreigner who is an employee of a foreign company (holding company) staying in a hotel in Malaysia (subsidiary company located in Malaysia)?**

A12: Yes, subject to TTx.

**Q13: Is TTx chargeable for the stay where the foreigner check-in on 31<sup>st</sup> Aug 2017 at 2pm and check-out on 1<sup>st</sup> Sept 2017 at 00.50 hours?**

A13: Not subject to TTx.

**Q14: Foreigner already booked and made payment for 5 nights stay in Yong Hotel from 1/10/17 to 6/10/17. Then, the foreigner fails to stay during that period. The operator imposes a penalty for the sum of one room night stay. The balance of payment made for the 4 nights is refunded to the foreigner. In this scenario, is TTx charged for 'no show' of 1 night or 5 nights?**

A14: No TTx is charged since the tourist did not stay at the hotel.

**Q15: My package to a foreign tourist includes accommodation at Hotel Maya, meals and visits to the theme park of the hotel. Is TTx imposed on the total package?**

A15: TTx is only imposed on number of nights stay in the accommodation premises.

**Q16: Is the imposition of TTx voluntary or mandatory?**

A16: The imposition of TTx is mandatory.

**Q17: If a foreign tourist stays in a room in a motel or other lodging houses (excluding the exempted accommodation premises) and the stay is for a period of 30 days or more, is the stay subject to TTx?**

A17: The stay for a period of 30 days or more is subject to TTx.

**Q18: Is TTx imposed on rental of rooms arranged through online or third-party agents?**

A18: When the tourist stays at the accommodation premise arranged through online or third-party agents, he is required to pay tourism tax when he checks out.

**Q19: Is the tax required to be paid directly upon check-in?**

A19: The tax is paid upon checking out.

**Q20: Who is responsible to account for TTx in an online booking transaction?**

A20: The operator who operates accommodation premises is responsible to account for TTx.

**Q21: Is TTx due on “no show charges” for room nights even though the charges are forfeited by the operator of the accommodation premises?**

A21: TTx is only charged when a tourist stays at any accommodation premises. Therefore, “no show charges” for room nights is not subject to TTx. However, if TTx has been charged and not refunded to the tourist, the operator has to account for the TTx collected.

**Q22: Is TTx charged on banquet/ ballroom/ meeting room rentals?**

A22: TTx is not charged on banquet/ ballroom/ meeting room rentals.

**Q23: Is a private club operating sleeping accommodations subject to TTx?**

A23: If the operator of the club provides accommodation of 5 rooms or more at the club, the operator is required to be registered and charge TTx to the tourist.

**Q24: Is the provision of accommodation by an operator who operates a 4 star hotel to government or charitable organisations officials, whether or not such employees are on official business or otherwise subject to TTx?**

A24: The provision of accommodation by an operator to government or charitable organisations officials is not subject to TTx if the officials are Malaysian nationals or permanent residence of Malaysia.

**Q25: Is there a threshold for room rental charges that will not be subject to TTx?**

A25: TTx shall be imposed irrespective of the total amount of rental.

**Q26: Is the provision of outdoor accommodation (campers van site, caravan, boathouse, marinas, campsite, etc.) subject to TTx?**

A26: The provision of outdoor accommodation premises is not subject to TTx.

**Q27: Is the provision of accommodation in apartment hotels subject to TTx?**

A27: The provision of accommodation in apartment hotels is subject to TTx.

**Q28: Mr Kim Jun from Korea and his family of four is traveling to Penang for a fortnight stay in a four-star hotel and occupy 2 rooms. Is TTx imposed on all 4 family members or on the rental charges of 2 rooms for the whole duration?**

A28: TTx is imposed on the rate i.e. RM10 per room per night. Therefore, TTx for 2 rooms for a fortnight stay is  $RM\ 10 \times 2 \times 14 = RM\ 280$ .

**Q29: Are foreign guests or visitors over the age of 18 staying overnight required to pay TTx?**

A29: TTx is imposed for each overnight stay and not on the basis of per person per night or the age factor.

**Q30: I am an operator of a 4-star Labuan Hotel and my foreign guest stays for a period of six months. When do I need to account TTx?**

A30: You need to account the TTx upon collection when the guest checks out. However, if there is a periodic or partial payment for the room charges during such time, the tourist is required to pay the corresponding TTx.

**Q31: Upon checking out from the 4-star hotel, my bill listed room charges of RM 300, RM 100 for food, RM 50 for beverages, RM 20 for laundry services and RM5 for telephone calls. What item is subject to TTx?**

A31: TTx is only levied on the number of room nights and the rate per room per night is RM10.00.

**Q32: Are those recreation boats that stop off for a night required to charge TTx?**

A32: The recreation boats that stop off for a night is not required to charge TTx.

**Q33: Are those foreign tourists staying on board a vessel while it is on permanent mooring or situated in a berth in a port that provide services of overnight stay required to pay TTx?**

A33: They are not required to pay TTx.

**Q34: If a foreign tourist is given a complimentary extended stay at a hotel after the check-out time of two hours, is the tourist required to pay TTx for another night?**

A34: The tourist is not required to pay TTx.

**Q35: If a foreign tourist is given an extended stay at a hotel after the check-out time until 7pm the same day and is charged the full rate for the stay, is the tourist required to pay TTx for another night?**

A35: The tourist has to pay TTx for the extended stay.

**Q36: I am a foreign consultant with a Malaysian work permit engaged by a resort operator to oversee the development of a project at the resort. The resort operator provides accommodation for my stay at his resort. Do I have to pay TTx?**

A36: You are not considered a tourist staying in the resort and your stay is not subject to TTx.

**Q37: Hotel XYZ has a contractual agreement with JETLI Airlines to accommodate their passengers when there is a flight delay due to technical issues. JETLI Airlines will bear the cost of the room charges of the transit passengers. Does Hotel XYZ have to charge TTx to JETLI Airlines for the accommodation provided to their foreign passengers?**



A37: Hotel XYZ has to charge TTx to JETLI Airlines for the accommodation provided to their foreign passengers.

**Q38: Does TTx apply to a foreigner student enrolled in a Private Higher Education Institution in Malaysia and staying at the premises operated by the Institution?**

A38: No. However, if the student stays in an accommodation premise other than his place of study, he is liable to pay TTx.

**Q39: Does TTx apply to a foreigner holding a work permit or employment pass?**

A39: TTx does not apply if the foreigner stays in an accommodation premise which is also located at / within his place of employment as stated in his work permit or employment pass and his purpose of stay must relate to his occupation. The operator of such premises is required to retain a photocopy of his valid work permit or employment pass and passport.

**Q40: Is a cruise ship captain who is a foreigner working in Malaysia under a Malaysian work permit required to pay TTx when he stays in a hotel when the ship calls at any particular port in Malaysia?**

A40: Yes, subject to TTx.

**Q41: Are room bookings performed by a local travel agent or company, but checked-in by a foreigner. Is it subject to TTx?**

A41: Yes, subject to TTx.

**Q42: UTM invites examiners and guest speakers from USA. The cost of accommodation for them is borne by UTM. Payment to hotel is via a government Local Order. The hotel operator does not know the identities of UTM's guests when the L.O is handed to them before the guest arrive. When is the operator required to account for TTx?**

A42: Operator has to account for TTx in the taxable period when the guests check- out.

**Q43: If I sell my business to a new owner, can the new owner continue under the existing TTx account or has he got to submit a new application for TTx?**

A43: The new owner has to submit a new application and the former owner must apply for deregistration.

**Q44: A tourist is given an extended stay of 3 hours without any charges from the check-out time i.e. 3pm. Is the extended stay subject to TTx?**

A44: Complimentary extended stay not subject to TTx. However, any extended stay charged at the rate of per room per night will be subject to TTx.

**Q45: Does an exemption apply to IPTS foreign students of IPTS A staying in the accommodation premises of IPTS B?**

A45: Both IPTS A and IPTS B are exempted from registration if that are providing accommodation premises to the students as a facility for the purpose of education and training. Hence, both the IPTS are not allowed to charge TTx.

**Q46: Employees of holding company stays in the accommodation premise operated by a subsidiary of the holding company i.e. Hotel A. Is TTx chargeable to the employees of the holding company who stay in the subsidiary company who operates Hotel A?**

A46: Yes, subject to TTx. Only the employees (include contract workers) of the employer operating the premise is given exemption from TTx.

**Q47: Employees of subsidiary company A (operate ABC Hotel) stay in another subsidiary company B (operate XYZ Hotel). Does TTx apply to the employees of company A staying in XYZ Hotel?**

A47: Yes, subject to TTx. Only the employees (include contract workers) of the employer operating the premise is given exemption from TTx.

**Q48: If the tourist stays for long period, e.g. one month, is TTx apply for such period?**

A48: Yes, subject to TTx.

**Q49: Is one suite room in a hotel with two attached bedrooms considered as one room or two rooms for TTx purposes?**

A49: One suite room is treated as one room.

**Registration**

**Q50: Is the owner or the operator liable to register for tourism tax (TTx)?**

A50: The operator is liable to be registered.

**Q51: What is the liability of an operator to be registered on or after 01.09.2017?**

A51: The operator is required to register within 30 days from the date of starting operations and the effective date of registration will be on the first day of the following month succeeding the date registration was submitted.

**Q52: An operator operates 4 apartments available for accommodation to the tourist. Is the operator required to be registered?**

A52: Operator must know the number of accommodation rooms made available to the tourist if the total number of accommodation rooms for the 4 apartments is 5 rooms or more, he is required to be registered for tourism tax.

**Q53: Are operators of innovative hotels offering accommodation premises such as Apache-type hotels, caravan, container, bustel, boat houses, tree house, sleeping tube, tents, cruise, etc. required to be registered for TTx?**

A53: Not required to register for TTx.

**Q54: Is a hotel located in a duty free area / designated area / free zone required to be registered for TTx?**

A54: Yes, required to be registered for TTx.

**Q55: An owner owns and operates 6 units in one condominium block where the units are located at different levels. There are some units with more than 5 rooms and some units with just 2 rooms only. Does the owner operator need to register for TTx?**

A55: Operator must know the number of accommodation rooms made available to the tourist if the total number of accommodation rooms for the 6 condominium units is 5 rooms or more, he is required to be registered for tourism tax.

**Q56: There are 6 condominiums with 6 owners and those owners appoint an agent to represent the condominiums to provide accommodation to tourist. Is the agent representing the condominiums owners liable to register for TTx?**

A56: The agent must know the number of accommodation rooms made available to the tourist if the total number of accommodation rooms for the 6 condominium units is 5 rooms or more, he is required to be registered for tourism tax.

**Q57: If I own and rent one unit of two-room service apartment, am I required to be registered under Tourism Tax Act 2017?**

A57: You are not required to register for TTx.

**Q58: I own and operate 5 houses with five rooms in each house and provide accommodation as an operator, am I required to be registered under Tourism Tax Act 2017?**

A58: Yes, you are required to register for TTx as you provide accommodation premises with 25 accommodation rooms which exceed the number of rooms exempted from registration. i.e. 4 accommodation rooms or less.

**Q59: If Mr Aziz owns and operates twenty units of two-room service apartments either used seasonally or temporarily, is he required to be registered under Tourism Tax Act 2017?**

A59: Mr Aziz is required to register for TTx.

**Q60: What is the tax implication as a hotel operator and employer providing accommodation to my employees at the hotel?**

A60: As an operator of a hotel, he is liable to be registered and charge TTx. However, if he provides the same accommodation as a facility to his employees, he is not required to charge and account for TTx for the stay by his employees.

**Q61: Is a Pet Hotel liable to be registered and charge TTx?**

A61: A Pet Hotel is not liable to be registered and charge TTx.

**Q62: I just bought a beach house with 4 rooms as an investment and plan to rent it out on weekends only. Do I have to be registered for TTx?**

A62: You are not required to be registered for TTx.

**Q63: Is a statutory body that owns and operates accommodation premises required to be registered for TTx?**

A63: Statutory body that operates and provides accommodation premises to any person for educational, training or welfare purposes are not required to collect TTx. In addition, if the statutory body provides such accommodation to its employees, he is also not required to collect TTx.

**Q64: An owner owns and operates 6 units in one condominium block where the units are located at different levels. There are some units with more than 5 rooms and some units with just 2 rooms only. Does the owner operator need to register for TTx?**

A64: He is liable to be registered if the total number of accommodation rooms provided 5 rooms or more.

**Q65: There are 6 condominiums (2 accommodation rooms each) with 6 owners and those owners appoint an agent to represent the condominiums to provide accommodation to tourist. Is the agent representing the condominiums owners liable to register for TTx?**

A65: Yes, the agent is liable to register under TTx.

**Q66: An operator operates a 150-room hotel and is registered for TTx. Concurrently, he provides the hotel as a facility to his employees. Hence, when the operator is providing accommodation rooms to his employees, he is exempted from collecting TTx. Is the operator still required to be registered?**

A66: The operator is still required to be registered since he collects TTx.

**Q67: An operator provides backpacker accommodation i.e. they have 10 rooms at their accommodation premise and there are designated room types that can either accommodate 2, 4 or 6 persons. The rate charged is on per person per night basis. Each room may be accommodated by different paying guests and they may be staying at different periods of time and some such periods may overlap among the guests staying in the same room type. Is the operator required to be registered and how does he charge TTx in such a situation when the guests check-out?**

A67: The operator is not required to be registered and is not required to collect tourism tax.

### **TTx Documentation**

**Q68: How to request for a copy of TTx-02 that was lost?**

A68: A copy of TTx-02 may be obtained from the Customs Control Station.

**Q69: How and where to display the TTx-02 certificate? Can the form be placed on the table or in the finance office of the operator?**

A69: Operator must display the TTx-02 certificate at a conspicuous place at accommodation premises. The operator may print more than one copy of the certificate and place them where necessary.

**Q70: Are tax returns to be submitted for each registered premise?**

A70: Yes, tax returns need to be submitted for each registered premise.

**Q71: A resort in Pulau Perhentian is only operational for 8 months in a year. Does the operator have to submit returns for the whole year?**

A71: Yes, the operator has to submit NIL returns for the months for which it is not operational.

**Q72: What are the details or amount to be stated under the TTx-03 column 7 (tax exempted)?**

A72: Column 7 is to be filled with the tax amount for room nights not charged to TTx (exempted).

**Q73: An operator owns 3 hotels in 3 different locations i.e. Penang, KL and Johor. For the submission of TTx return, can it be done under one account like GST group submission?**

A73: No, the operator is required to submit separate TTx returns for each of the accommodation premises in KL, Johor and Penang separately.

**Q74: How TTx will be charged if customer request to split invoice?**

A74: Operator is not allowed to split the tourism tax charge.

**Q75: Is there any specific format for TTx invoice?**

A75: There is no specific format for TTx invoice.

**Q76: Is an operator required to state the reason of exemption in the invoice if they do not charge TTx?**

A76: Reason of exemption is not a requirement to be stated in the invoice but for audit purposes operators are encouraged to state the reason for not imposing TTx.

**Q77: Moon Hotel, a GST registered person has a contract with an online hotel booking platform. Mr. Kim from Korea booked a room in Moon Hotel through this platform for 3 nights and was charged a room rate of RM250 per room per night. When he checked out from the hotel, he requested for receipt of payment of TTx. Is Moon Hotel required to issue a tax invoice?**

A77: Moon Hotel is not allowed to issue a tax invoice for the payment of TTx but required to issue an invoice, receipt or other document as provided under section 14 of the Tourism Tax Act 2017.

**Q78: I am an operator and I have existing stock of pre-printed invoices which does not have the line item 'Tourism Tax' printed on it. Whether existing stock of invoices can be stamped with the word 'tourism tax' and used until the stock last?**

A78: The existing stock of pre-printed invoices which were printed before 1 September 2017 and which is not TTx compliant can be used until 31 December 2017 or while stock last whichever is the earlier subject to the following conditions:

- (a) the invoices and copies of such invoices must be stamped with the word 'TTx registration number', 'Tourism Tax' and 'Rate of Tax'; and
- (b) the copies of such invoices must be kept and preserved for a period of seven years.

A TTx registered operator is not allowed to issue any handwritten invoices.

## **Exemption from Tourism Tax**

### **Operator**

**Q79: Where can operators find a list of the entities that are exempt from TTx?**

A79: A list of entities exempt from TTx can be found in the Tourism Tax (Exemption) Order 2017.

**Q80: I operate a commercial dwelling (homestays, farm stays, boarding accommodation and service apartments) which is occupied as a principal place of residence. Am I liable to register?**

A80: Homestays registered with the Ministry of Tourism and Culture (MOTAC) are exempted from registration under Tourism Tax (Exemption) Order 2017 whilst other accommodation premises are liable to be registered.

**Q81: If I operate an international school and provide boarding house to my students. Am I exempted from charging and collecting tourism tax for the accommodation provided?**

A81: You are not exempted from charging and collecting tourism tax to your students staying at the boarding house.

### **Tourist**

**Q82: A Nigerian national enrolled in a Private Higher Educational Institution to pursue an engineering degree. He is offered by the institution a twin sharing accommodation throughout the period of his course which is operated by a third party supplier. Is this student required to pay tourism tax?**

A82: The student is required to pay tourism tax.



## Time share

**Q83: As a Time Sharing Operator (TSO), we currently operate 2 blocks of serviced apartments with 2 or 3 rooms in each unit. Kindly advice on the criteria to define the number of rooms.**

A83: The number of rooms refers to the total number of accommodation rooms in the 2 blocks of service apartments operated by the TSO.

## Transitional

**Q84: How is TTx computed during the transition period i.e. for guest checking in 31 August 2017 and checking out on 1<sup>st</sup> September 2017?**

A84: TTx is charged on per room per night basis. Please refer to paragraph 22 of the General Guide on Tourism Tax for further examples relating to the transition period.

**Q85: A contract made earlier by an agent with the operator whereby advance payment has been made in full prior 1 September 2017 for a stay on or after 1 September 2017. Is there any exemption for the contract made earlier?**

A85: No exemption from charging TTx is given for contracts made prior to 1 September 2017.

**Q86: A foreign timeshare owner had purchased and paid the membership fee for a timeshare program before 1 September 2017. If he wishes to exercise his rights to occupy a resort or vacation property under this program during his time-based intervals, is he required to pay tourism tax to the operator of the time share?**

A86: The foreign timeshare owner is required to pay TTx.

**Q87: I operate a tour agency and I have a tour package contract made before 1 September 2017 with various accommodation premise operators to provide accommodation rooms to foreign tourists for a period from 1 June 2017 until 31 December 2018. I had made early bookings for accommodations rooms' prior to the implementation of tourism tax. Are the operators exempted from the collection of TTx on the foreign tourist?**

A87: The operators are not exempted from collection of TTx. However, you may obtain an exemption from charging and collection of TTx by the operators for early bookings of the

foreign tourists stay from 1 September 2017 up to 31 March 2018 by making an application to the Ministry of Tourism and Culture (MOTAC). MOTAC may furnish you with a supporting letter to seek such exemption from the Minister of Finance under subsection 9(2) of the Tourism Tax Act 2017. Should the Minister approve the exemption, you are then required to send certified copies of such approvals to the respective operators to enable them not to charge and collect TTx from the foreign tourists.

### **Miscellaneous matters**

**Q88: A foreigner check-in the hotel room but the room is registered under the name of a Malaysian national and the Malaysian national does not stay in the room. Is the foreigner liable to pay tourism tax?**

A88: This situation is not allowed for security purposes because the name of person staying in the room must be recorded by the operator.

**Q89: What are the documents required to identify a foreign tourist checking into a hotel?**

A89: The documents required are photocopy of passport, particulars required in the invoice issued to tourist e.g. full name address and passport number.

**Q90: Under the definition of tourist in the Tourism Industry Act 1992 item (i) states that a tourist excludes a person visiting a place in Malaysia for a purpose which is not related to an occupation that is remunerated from the place visited. Seek clarification on the terminology 'remunerated' and 'place visited'.**

A90: Remunerated refers to the salaried work permit by a local employer. Place visited refers to the vicinity of the location specified in the work permit.

**Q91: Who is responsible to account for TTx if the guest refuses to pay?**

A91: The operator is responsible to account for the TTx.

**Q92: Petronas engages foreign engineers to conduct repairs at an oil rig. When the engineers are not working at the rig they are accommodated at a hotel on the mainland. Are the engineers regarded as tourists and liable to pay TTx?**

A92: Yes, the engineers are regarded as tourists and liable to pay TTx.

**Q93: I operate accommodation premise and is registered under the Good and Services Act 2014. Can I combine the tourism tax and GST collected in one return?**

A93: No, you are required to submit separate returns which is TTx-03 Return for tourism tax and GST-03 Return for GST.

**Q94: If I operate an accommodation premise in a designated area, free zone or a duty free area, do I have to charge tourism tax?**

A94: The Tourism Tax Act 2017 is applicable to the accommodation premise in a designated area, free zone or a duty free area. You are required to charge tourism tax subject to the normal rules.

**Q95: Is an operator allowed to charge GST on the room charges if the room charges is inclusive tourism tax?**

A95: An operator is not allowed to charge GST on tourism tax.

**Q96: How do I issue a quotation to a Malaysian and foreign tourist?**

A96: Quotation for a Malaysian national or permanent resident of Malaysia staying in an accommodation premise should exclude tourism tax. However, quotation for a non-Malaysian national or a non-permanent resident of Malaysia staying in an accommodation premise should include tourism tax.

**Q97: How do I manage credit card merchant fees which are imposed on room charges including TTx when a tourist makes a payment using a credit card as it will increase my cost of providing the accommodation as I have to absorb the credit card merchant fees?**

A97: The additional fees should be included in the cost structure of the room charge.

**Q98: When do I need to account TTx for contract group bookings in the future where I receive payment in advance for such bookings at my hotel but the nationality of the guests is unknown?**

A98: When a TTx registered operator receives payment in advance, the operator is not required to account for TTx until the group stays and check-out.


### **FURTHER ASSISTANCE AND INFORMATION ON TOURISM TAX**

Further information on Tourism Tax can be obtained from:

- (a) TTx website : [www.myttx.customs.gov.my](http://www.myttx.customs.gov.my)
- (b) Email: [enquiry.tourismtax@customs.gov.my](mailto:enquiry.tourismtax@customs.gov.my)
- (c) Customs Call Center:      Tel               : 1-300-888-500  
  Fax                : 03-7806 7599  
  E-mail           : [ccc@customs.gov.my](mailto:ccc@customs.gov.my)
- (d) Correspondence:  
    Royal Malaysian Customs Department  
    Level 7; Block A, Menara Tulus,  
    No. 22, Persiaran Perdana, Presint 3, 62100  
    Putrajaya.

**APPENDIX 1**

**Sample of tax invoice issued by a GST registrant who is also registered as an operator under the Tourism Tax Act 2017**

<b>HOTEL GRAND SDN. BHD.</b> Jalan Masa 75000 Bandar Hilir Melaka Tel : 06-8768356 Email : hotel.abc@gmail.com		 <b>H O T E L</b> GST ID: (008765783452) TTx ID : (000012345789)
<b>TAX INVOICE</b>		
Bill to: Mr. Nagasaki Moto Osaka, Japan Passport No. J123456789		Tax Invoice No: 870008 Date : 4September 2017
Date	Description	Amount (RM)
2 Sept 2017	Room charges	200.00
	Service charge	20.00
3 Sept 2017	Room charges	200.00
	Service charge	20.00
	Total	440.00
	GST (6%)	26.40
	Heritage charge (RM 2/night)	4.00
	Tourism Tax (RM10/night)	20.00
	<b>TOTAL CHARGES</b>	<b>RM 490.40</b>

**Sample of invoice issued by an operator registered under the Tourism Tax Act 2017**

**HOTEL VIEW SDN. BHD.**

Jalan Ulam  
47000 Petaling Jaya  
Selangor  
Tel : 03-8768356  
Email.: hotel.view@yahoo.com



TTx ID : (000098764321)

**INVOICE**

Bill to:  
Mr. Kenneth Leow  
25, Kent Ridge Road  
Singapore 119077  
Passport No. S123456789

Invoice No: 870008  
Date : 24 October 2017

Date	Description	Amount (RM)
22 Oct. 2017	Room charges	150.00
	Service charge	15.00
23 Oct. 2017	Room charges	150.00
	Service charge	15.00
	Tourism Tax (RM10/night)	20.00
<b>TOTAL CHARGES</b>		<b>RM 350.00</b>

## AMENDMENTS

No	Date	Heading / Sub – heading / Paragraph	Description
1.	30.8.17	FAQ 67, 77 & 86	New addition
2.	26.9.17	FAQ 39	Reword
		FAQ 78	New addition