

FREQUENTLY ASKED QUESTIONS (FAQ) RELATING TO TOURISM TAX (TTx) FOR BUDGET 2021

EXPANSION OF THE SCOPE OF IMPOSITION OF TOURISM TAX ON ACCOMMODATION PREMISES BOOKED THROUGH ONLINE PLATFORM

Q1: What is meant by imposition of tourism tax on accommodation premises booked through online platform?

A1: Tourism tax shall be charged and levied on a tourist staying at any accommodation premises through service relating to online booking accommodation premises provided by a digital platform service provider.

Q2: Who is included in the scope of Digital Platform Service Provider (DPSP)?

A2: Any person who provides services relating to online booking accommodation premises such as Airbnb, Agoda, Booking.com., Traveloka etc., whether the person is in Malaysia or outside Malaysia.

Q3: In the context of online booking accommodation premises, which tourists will be subject to the tourism tax?

A3: Tourists are as defined in the Tourism Industry Act 1992 and such tourists will be subject to tourism tax. However, the following tourists will be exempted by the Minister of Finance : -

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

Q4: What is the rate of tax to be charged?

A4: The rate of tax to be charged will be announced through gazette in the Order. According to the order, the tourism tax rate is RM10 per room per night.

Q5: Why this scope expansion is implemented?

A5: To ensure equal treatment between tourists who make the booking for accommodation directly with the registered accommodation premises operators and the booking through online platform providers.

Q6: When is the effective date of implementation to impose tourism tax on accommodation premises booked through the online platform?

A6: The effective date is 1st July 2021.

Q7: Who needs to register?

A7: The person who provides services relating to online booking accommodation premises must register with the Royal Malaysian Customs Department.

Q8: What is meant by Digital Platform Service Provider (DPSP)?

A8: 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.

Q9: What is meant by “service relating to online booking accommodation premises”?

A9: “Service relating to online booking accommodation premises” means any online service relating to booking accommodation premises that is delivered automatically over the internet or any other electronic network.

Q10: Does the operator of the accommodation premises has to impose tourism tax if the tourist has made the payment of tourism tax for service relating to online booking accommodation premises to the DPSP?

A10: If the payment of tourism tax for service relating to online booking accommodation premises has been made by the tourist to the DPSP, the operator of the accommodation premises shall not collect the tourism tax from the tourist, provided that the tourist shall submit proof of such payment.

Q11: When does the DPSP need to register?

A11: There are two (2) categories of DPSP that need to register with the Royal Malaysian Customs Department, namely;

- (i) first category - existing DPSP, they must register not later than 3 months before the effective date of the Tourism Tax (Amendment) Act 2020.
- (ii) second category - DPSP who starts a digital platform service, must register within 30 days from the date the digital platform provider provides online booking of accommodation premises in Malaysia.

Q12: How do does the DPSP registered?

A12: The method of registration by DPSP will be determined through the form that will be gazetted in the Tourism Tax Regulations 2021.

Q13: What action could be taken if the DPSP fails to register?

A13: Every DPSP who fails to register, commits an offence and shall, on conviction, be liable to a fine not exceeding thirty thousand ringgit or to imprisonment for a term not exceeding one year or to both.

Q14: How does the DPSP identify a tourist is a foreign tourist or Malaysian citizen (or a Malaysian permanent resident) who booked online accommodation premises?

A14: DPSP needs to modify their system to identify the citizenship status of each tourist through the identification of identity card number or passport number.

Q15: Is there an increase in the price of accommodation premises with the implementation of tourism tax by this DPSP?

A15: The price of accommodation premises is fixed by DPSP, while the tax rate is fixed at RM10 per room per night.

Q16: If any person has any questions or needs more information regarding the implementation of this digital platform service, who can be contacted?

A16: They can contact the Royal Malaysian Customs Department, *Cawangan Dasar dan Perlaksanaan Cukai Perkhidmatan* through Customs Call Center (CCC):

- Tel: 03-7806 7200 / 1-300-888-500
- Email: ccc@customs.gov.my

Information relating to this matter will also be uploaded in the MyTTx portal from time to time at <https://www.myttx.customs.gov.my/CTTAX/index.html>

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