Scenario: E-Invoice Process Flow at Hotel Front Office Counter

Step 1: Guest Requests E-Invoice

- A guest checks out at the hotel front office counter and requests an e-Invoice for their stay.

Step 2: Hotel Collects Guest Information

- The front office staff requests and gathers necessary details from the guest (e.g., name, identification number, contact details) to generate the e-Invoice.

Step 3: Generating and Submitting the e-Invoice

- The hotel staff issues an e-Invoice using the hotel's invoicing system.
- This e-Invoice is then electronically submitted to Malaysia's tax authority (LHDNM) for validation.

Step 4: Providing Validated e-Invoice to Guest

- Once validated by LHDNM, the hotel staff shares the official e-Invoice with the guest by QR code.
- The validated e-Invoice includes a QR code for easy verification.

Step 5: Guest Reviews and Confirms e-Invoice

- The guest scans the provided QR code to verify and review their validated e-Invoice.
- The guest can use this validated e-Invoice as official proof for tax claims or other reimbursement purposes.

Step 6: E-Invoice Cancellation and Amendments

- The guest has the option to reject or request cancellation of the validated e-Invoice within 72 hours if there are discrepancies or errors.
- If rejected by the guest within this timeframe, the hotel will cancel the e-Invoice and issue a corrected version.
- After 72 hours, cancellations are no longer permitted, and any necessary changes must be made through amendments, such as issuing a credit note or debit note.

This scenario ensures a clear, transparent, and compliant process for issuing e-Invoices at the hotel front office, protecting both the hotel's and guests' interests.

Scenario: E-Invoice Process for Individual (FIT/B2C) Bookings at Hotels

Transaction Context:

- Applies to direct bookings made by guests through walk-in or hotel websites (B2C transactions).
- The hotel acts as the seller, and the individual guest is the buyer.

Step 1: Guest Requests E-Invoice at Checkout

- An individual guest, upon checking out, requests an e-Invoice at the hotel reception counter.

Step 2: Hotel Verifies Booking Details

- The front desk staff retrieves and verifies the guest's booking information and details necessary for e-Invoice generation (such as name, contact number, identification number, etc.).

Step 3: Hotel Generates Standard E-Invoice

- The hotel generates a standard e-Invoice based on the verified guest information.
- The hotel submits the generated e-Invoice electronically to Malaysia's tax authority (LHDNM) for validation.

Step 4: Delivery of Validated E-Invoice

- Upon validation from LHDNM, the hotel shares the validated standard e-Invoice with the guest.
- The e-Invoice typically includes a QR code for quick verification.

Step 5: Guest Reviews and Confirms E-Invoice

- The guest scans the QR code to verify and review their validated e-Invoice, ensuring accuracy and compliance for tax or reimbursement purposes.

This scenario ensures individual guests booking directly with hotels receive prompt, accurate, and compliant e-Invoicing services, providing clarity and convenience throughout the invoicing process.

Scenario: E-Invoice Process for Individual (FIT/B2C) Bookings via Global Online Travel Agencies (OTA) - Prepaid Bookings

Transaction Context:

- Applies to individual guests (B2C) who book hotel stays through global Online Travel Agencies (OTAs) such as Agoda or Traveloka.
- The booking is prepaid directly to the global OTA.

Step 1: Guest Requests E-Invoice at Checkout

- Upon checkout at the hotel front office, the guest requests an e-Invoice from the hotel.

Step 2: Hotel Verifies Booking Source

- The hotel front-desk staff verifies the booking and identifies that it was made via a global OTA, prepaid directly to the OTA.

Step 3: Hotel Advises on E-Invoice Responsibility

- Since the hotel did not receive direct payment (guest paid OTA directly), the hotel is not responsible for issuing the e-Invoice to the guest.
- Additionally, global OTAs operating outside Malaysia are not obligated to issue Malaysian-standard e-Invoices.

Step 4: Guest Advised to Use Self-Billing

- The hotel informs the guest to obtain a formal payment receipt directly from the OTA.
- The guest can then use that receipt to submit a self-billed e-Invoice to Malaysia's tax authority (LHDNM) themselves, as the hotel cannot issue an e-Invoice for this scenario.

This process clearly delineates the e-Invoice responsibility for guests using global OTAs, guiding guests effectively for tax or reimbursement purposes.

Scenario: E-Invoice Process for Individual (FIT/B2C) Bookings via Global Online Travel Agencies (OTA) - Postpaid (Pay at Hotel) Bookings

Transaction Context:

- Applies to individual guests (B2C) who book their hotel stays via global Online Travel Agencies (OTAs) on a postpaid basis, meaning guests pay directly to the hotel upon checkout (e.g., Booking.com).

Step 1: Guest Requests E-Invoice at Checkout

- Upon checkout at the hotel, the guest requests an e-Invoice from the front-desk staff.

Step 2: Hotel Confirms Booking and Payment

- Hotel staff verify the booking details, identifying that the booking was made through a global OTA but payment is settled directly at the hotel by the guest.

Step 3: Hotel Generates and Issues Standard E-Invoice

- Given that payment is received directly by the hotel, the hotel is responsible for generating and submitting a standard e-Invoice to Malaysia's tax authority (LHDNM).
- The hotel prepares the e-Invoice using guest details and submits it for validation through the integrated invoicing system.

Step 4: Delivery of Validated E-Invoice to Guest

- After successful validation by LHDNM, the hotel provides the guest with the validated e-Invoice, including a QR code for verification purposes.

Step 5: Guest Reviews and Confirms E-Invoice

- The guest scans the QR code to verify and review their validated e-Invoice for accuracy and potential tax or reimbursement purposes.

This scenario clearly assigns responsibility for e-Invoicing directly to the hotel, as payment was collected at the property, ensuring compliance and convenience for both guests and hotels.

Scenario: E-Invoice Process for Travel Agent Bookings (Group Inclusive Tour - GIT/B2B)

Transaction Context:

- Applies to bookings made through local travel agents (B2B transactions), where the travel agent is the direct buyer from the hotel.

Step 1: Travel Agent Requests E-Invoice After Guest Checkout

- After the guest checks out, the travel agent (buyer) contacts the hotel directly, requesting an e-Invoice for their booking.

Step 2: Hotel Collects Travel Agent Details

- The hotel front-desk staff collect necessary information from the travel agent (e.g., company details, booking reference, tax information).

Step 3: Hotel Generates and Issues Standard E-Invoice to Travel Agent

- The hotel prepares and submits a standard e-Invoice to Malaysia's tax authority (LHDNM) for validation, explicitly naming the travel agent as the buyer.

Step 4: Delivery of Validated E-Invoice to Travel Agent

- Once the e-Invoice is validated by LHDNM, the hotel shares the official validated e-Invoice with the travel agent, typically including a QR code for verification purposes.

Step 5: Travel Agent Reviews and Confirms E-Invoice

- The travel agent scans the QR code provided in the e-Invoice to verify its accuracy, completeness, and compliance.

This scenario clearly defines e-Invoicing responsibilities between hotels and local travel agents, streamlining B2B transactions and ensuring accuracy in documentation for business and tax purposes.

Scenario: E-Invoice Process for Offline Group Bookings (Group Inclusive Tour - GIT/B2B)

Transaction Context:

- Applies to offline group bookings, typically involving families or corporate groups (B2B transactions), where the group representative is responsible for settling the payment and managing invoices.

Step 1: Group Representative Requests E-Invoice

- Shortly after the group checks out from the hotel, the group representative requests an e-Invoice from the front-desk staff.

Step 2: Hotel Collects Group Information

- The hotel front-desk staff gathers essential details from the group representative, such as group information, representative's name, identification, and necessary tax details for the e-Invoice.

Step 3: Hotel Generates Standard E-Invoice

- The hotel creates a standard e-Invoice naming the group or the group representative as the buyer.
- The e-Invoice is then electronically submitted to Malaysia's tax authority (LHDNM) for validation.

Step 4: Delivery of Validated E-Invoice to Group Representative

- Once validated by LHDNM, the hotel shares the official validated e-Invoice with the group representative, including a QR code for verification and easy reference.

Step 5: Group Representative Reviews and Confirms E-Invoice

- The representative scans the QR code to ensure accuracy, compliance, and completeness of the validated e-Invoice.

This scenario ensures transparent invoicing for offline group bookings, streamlining the e-Invoicing process and ensuring clear documentation for group representatives.

Scenario: E-Invoice Process for Government or Corporate Bookings (B2B/B2G)

Transaction Context:

- Applies to bookings made by government bodies or corporate organizations (B2B/B2G transactions).
- The hotel serves as the seller, while the corporate or government entity is the buyer.

Step 1: Corporate/Government Representative Requests E-Invoice

- After the guest representing the corporate or government entity checks out, they request an e-Invoice from the hotel front-desk.

Step 2: Hotel Collects Buyer Information

- The hotel staff gathers necessary details from the representative, including company or government department name, address, contact information, and tax details required for invoicing.

Step 3: Hotel Issues Standard E-Invoice

- Using collected information, the hotel generates a standard e-Invoice, clearly indicating the government department or corporate entity as the buyer.
- The hotel submits this e-Invoice to Malaysia's tax authority (LHDNM) electronically for validation.

Step 4: Delivery of Validated E-Invoice

- After validation, the hotel provides the validated e-Invoice to the corporate/government representative, typically including a QR code for easy verification and tracking.

Step 5: Representative Reviews and Confirms E-Invoice

- The representative scans the QR code to review and confirm accuracy, compliance, and suitability for internal record-keeping and tax purposes.

This scenario ensures accurate, timely, and compliant invoicing for corporate or governmental bookings, streamlining administrative processes and providing clear documentation for organizational purposes.

Scenario: Self-Billed E-Invoice for Individual Agent Commission Payment (B2B)

Transaction Context:

- Applies to commission payments made by hotels to individual freelance agents or referral agents (not affiliated with any specific company).
- The individual agent facilitates hotel bookings and earns a commission per booking.

Step 1: Agent Facilitates Bookings

- An individual freelance agent refers or secures bookings for the hotel.
- The hotel agrees on a predefined commission percentage per booking.

Step 2: Hotel Calculates Commission

- The hotel calculates the total commission payable based on the value of bookings referred by the agent.

Step 3: Hotel Issues Self-Billed E-Invoice

- Since the agent does not issue an invoice, the hotel generates a self-billed e-Invoice (invoice created by the payor instead of the payee) to officially document the commission payment.
- The hotel electronically submits this self-billed e-Invoice to Malaysia's tax authority (LHDNM) for validation.

Step 4: Validation and Record Keeping

- Once validated by LHDNM, the self-billed e-Invoice serves as official documentation of the commission payment from the hotel to the freelance agent.
- Both hotel and agent can retain this validated invoice for accurate financial record-keeping and tax reporting.

This scenario clarifies the responsibility of hotels to issue self-billed e-Invoices for commissions to freelance agents, ensuring transparency, compliance, and proper documentation of payments.

Summary of E-Invoicing Approaches Based on Booking Source:

1. B2C (Prepaid via OTA, e.g., Agoda)

- **Responsible Party:** Guest
- **E-Invoice Method:** Guest submits a self-billed e-Invoice via the MyInvois Portal.

2. B2C (Postpaid via OTA, Pay at Hotel, e.g., Booking.com)

- **Responsible Party:** Hotel
- **E-Invoice Method:** Hotel issues and submits a standard e-Invoice directly to the guest.

3. B2C/B2B (Direct Bookings via Walk-in or Hotel Website)

- **Responsible Party:** Hotel
- **E-Invoice Method:** Hotel issues and submits a standard e-Invoice directly to the guest.

4. B2B (Local Travel Agent Bookings)

- **Responsible Party:** Hotel
- **E-Invoice Method:** Hotel issues and submits a standard e-Invoice directly to the local travel agent.

5. B2B (Individual Freelance Referral Agent)

- **Responsible Party:** Hotel
- **E-Invoice Method:** Hotel issues and submits a self-billed e-Invoice to officially document commission payments made to individual referral agents.

6. B2G (Government Agency Bookings)

- **Responsible Party:** Hotel
- **E-Invoice Method:** Hotel issues and submits a standard e-Invoice directly to the government agency.

This overview clarifies responsibility for issuing e-Invoices based on the booking source and payment method, ensuring compliance and proper record-keeping for each booking scenario.

Scenario: Consolidated E-Invoice Submission for Hotel Industry

Context:

- Applies to transactions where hotel guests do **not** request individual e-Invoices during or immediately after their stay.

Step 1: Issuing Normal Receipts

- Guests who do not specifically request e-Invoices receive standard receipts at checkout.

Step 2: Consolidation of Monthly Transactions

- At the end of each month, hotel staff compile all transactions for which guests did not request individual e-Invoices.

Step 3: Submission of Consolidated E-Invoice

- Within the first seven (7) days of the following month, the hotel submits a single consolidated e-Invoice via the designated e-Invoicing platform (e.g., eZee e-Invoice Portal).
- For consolidated submissions, the hotel uses standardized buyer information provided by the Malaysian tax authority:
    - Buyer's TIN: e.g., "E100000000010"
    - Buyer's Name: "Public Buyer"
    - Other Information: "NA"

Step 4: Validation by LHDNM

- The consolidated e-Invoice is validated by Malaysia's tax authority (LHDNM) upon submission, completing the compliance process.

This streamlined process ensures hotels efficiently handle high volumes of non-individual invoiced transactions while maintaining regulatory compliance.

Important E-Invoicing Considerations for the Hotel Industry

1. Handling Different Booking Sources

- Hotels must clearly understand how different booking channels (B2C, B2B, direct bookings, OTAs) affect their responsibility regarding e-Invoice issuance.
- Proper identification of booking sources ensures correct invoicing processes (standard, consolidated, or self-billed).

2. Separation of Charges for E-Invoice Clarity

- Certain hotel-related charges, such as restaurant services operated independently from the hotel, may need separate billing and invoicing from the hotel folio.
- Hotels should separate these charges clearly from accommodation bills to issue compliant e-Invoices accordingly.

3. Compliance and Regulations

- Hotels must comply with Malaysia's e-Invoicing regulations to avoid penalties.
- Failure to perform e-Invoicing correctly can result in fines not less than RM200 to RM200,000, imprisonment for up to 6 months, or both, under Section 120(1)(d) of the Income Tax Act 1967.

This guidance helps hotels navigate compliance, ensuring proper e-Invoicing procedures across different operational scenarios.

Reference Codes for E-Invoicing in the Hospitality Industry (Malaysia)

Hotels must use standardized codes when preparing and submitting e-Invoices to Malaysia's tax authority (LHDNM):

1. E-Invoice Transaction Types:

- **01:** Invoice
- **02:** Credit Note
- **03:** Debit Note
- **04:** Refund Note
- **11:** Self-billed Invoice (issued by payor)
- **12:** Self-billed Credit Note
- **13:** Self-billed Debit Note
- **14:** Self-billed Refund Note

2. Country and Currency Codes:

- **Country Code:** MYS (Malaysia)
- **Currency Code:** MYR (Malaysian Ringgit)

3. E-Invoice Type:

- **004:** Consolidated e-Invoice (monthly summary transactions)
- **022:** Other types not categorized explicitly

4. Malaysian Standard Industrial Classification (MSIC) Codes (Examples):

- **55101:** Hotels and Resort Hotels
- **55102:** Motels
- **55103:** Apartment Hotels
- **55104:** Chalets
- **55105:** Rest house/Guest house
- **55106:** Bed and breakfast units
- **55107:** Hostels
- **55108:** Home stay
- **55109:** Other short-term accommodation activities not elsewhere classified
- **55200:** Camping grounds, recreational vehicle parks, and trailer parks
- **55900:** Other accomodation

These standardized codes ensure clarity, uniformity, and compliance in e-Invoice submissions across Malaysia's hospitality industry.

Three Stages to Prepare for E-Invoice Implementation at Your Hotel/What you should do in Preparation for E-invoicing as a Hotelier

Stage 1: Preparation

Timeline: April - May 2025 (1-2 months).

Suggested Actions:

- Gather essential customer data (Tax Identification Numbers (TIN), business registration details, addresses, etc.).
- Develop Standard Operating Procedures (SOP) and internal policies for e-Invoice processes.
- Hotel staff attend training sessions or seminars for a clear understanding of e-Invoicing requirements and systems.
- Conduct internal simulations or scenario-based training exercises on e-Invoice generation and submission.
- The hotel's management team should clearly define the monthly timeline for submitting consolidated e-Invoices (typically within the first seven days of the following month).

Stage 2: Testing Stage

Timeline: June - July 2025.

Suggested Actions:

- **MyTax Portal**:

  - Obtain or verify the company's TIN or apply for one if not yet obtained.
  - Appoint an official Employer Representative to manage e-Invoice matters.
- **MyInvois Portal**:

  - Obtain necessary integration credentials, such as Client ID and Client Secret ID.
  - Integrate middleware or third-party software systems with the MyInvois Portal for seamless e-Invoice submission.
  - Test integration thoroughly with the MyInvois Portal to ensure smooth operations and compliance.

Stage 3: Production (Go-Live) (1 July 2025)

- Officially launch e-Invoice submission processes after successful testing.

- Continuous monitoring and immediate handling of any e-Invoicing issues or errors to maintain compliance and efficiency.

This structured three-stage approach ensures hotels smoothly transition into compliant and effective e-Invoicing practices.