

Invoice for Recovery of Expenses Reimbursement @ Mark-up

Reimbursement of expenses which are directly supplied by the third party supplier and the break-down of cost and mark-up is provided Company L provides a one-off arranging service to its Kuala Lumpur head office, Company M, to arrange for hotel accommodation for M's director during his visit to Kuala Lumpur. The hotel bills L for the hotel accommodation, food and beverages, internet charges and IDD call charges. L subsequently recovers the expenses incurred from M plus a 10% mark-up. L contracts as a principal with the hotel for the hotel accommodation and hence the recovery is a reimbursement. Since it is a one-off arrangement and there is no primary supply being provided by L to M, L can be regarded as making a separate recovery of expenses from M and supplying the same goods and services to M as it had originally procured from the hotel. L's recovery of the expenses from M is subject to 6% GST. L may present its recovery of the various expenses on its tax invoice to M in the following manner:



Tax Invoice for Recovery of Expenses

Tax Invoice to Company SWPC	
Hotel Accommodation	1,000.00
Food & Beverages	450.00
Internet Usage Charges	50.00
Sub-Total	1,500.00
GST @ 6%	90.00
IDD Calls	100.00
10% Admin Fee	160.00
Sub-Total	260.00
GST @ 0%	0.00
Grand Total	1,850.00

Assume that all prescribed particulars already show in the tax invoice

- Hotel accommodation and other consumption are in Malaysia and therefore will subject to GST as exclusion from zero rated on Item 12, Zero Rated Order Gazette 2014
- IDD calls and 10% admin fee is supply of services, therefore it shall classify as exportation of services.

