

Lembaga Hasil Dalam Negeri Malaysia (LHDNM)

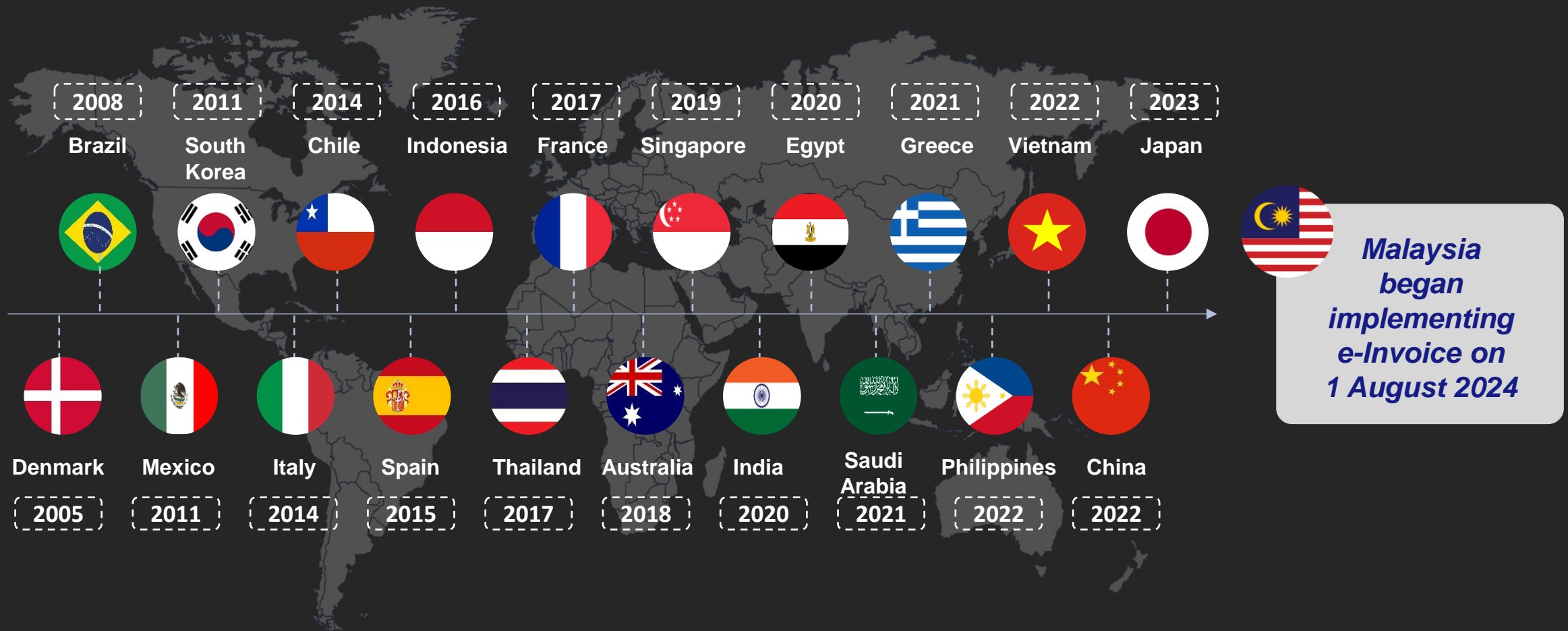
Seminar "Coffee on Zoom – E-Invoice in Malaysia"

Presentation by Dr Rasyidah Che Rosli
Director of e-Invoice Division, Tax Operations Department
Inland Revenue Board of Malaysia (IRBM)

11 April 2025

Malaysia's e-Invoicing Journey

More than 20 countries globally have implemented e-Invoicing



e-Invoice has been introduced to support the National Digital Agenda



Drive digital transformation and innovation in businesses



Improve digital inclusivity for Malaysians



Modernise tax administration and bolster digital services

Benefits of adopting e-Invoice



Simplified and error-reduced invoicing via electronic document creation and submission



Streamlines operations for increased efficiency and saves time and costs



Eases tax filing and integrates systems for accurate reporting

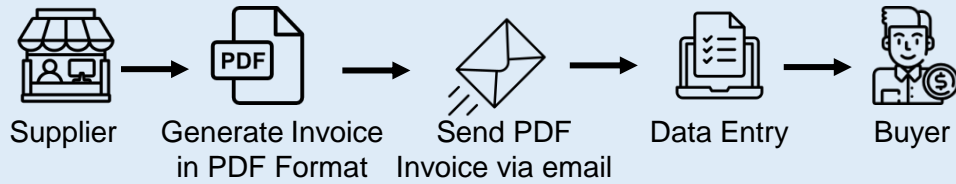


Digitalises financial reporting to meet industry standards

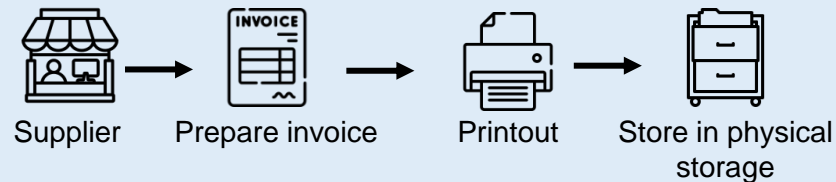
e-Invoice helps increase efficiency and enhance documentation

BEFORE E-INVOICE

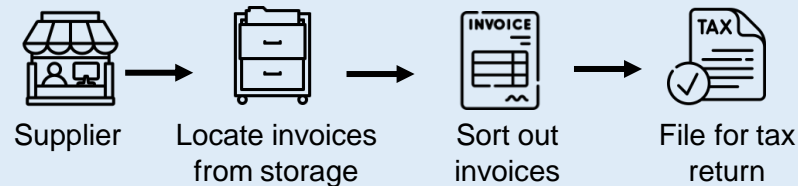
Time-consuming and prone to error



Disorganised and risky paper files

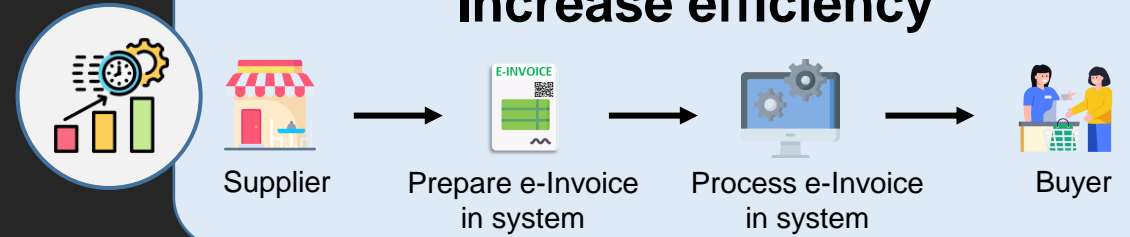


Difficulty in financial tracking

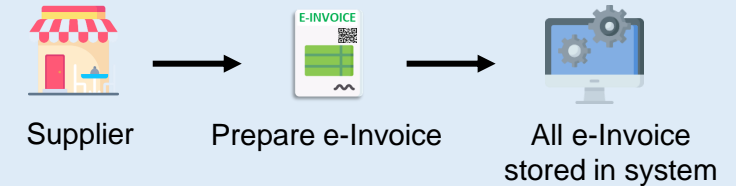


E-INVOICE

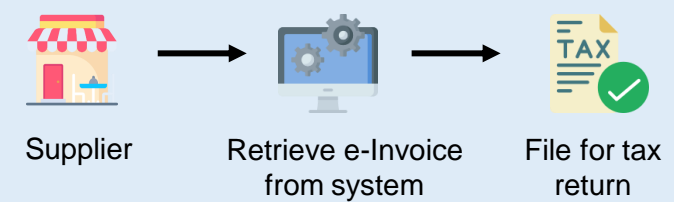
Increase efficiency



Better Documentation.



Financial Record



e-Invoice implementation began with announcement in Budget 2023 to prepare the public for implementation



Budget 2023

*e-Invoicing will be implemented in phases from 2023 with the **system development, and pilot project** involving selected taxpayers*



Budget 2024

***Mandatory e-invoicing implementation** for Phase 1 taxpayers with over 100 million annual revenue begins on 1st August 2024*



Budget 2025

***Accelerated capital allowance** to be fully claimed over a period of 2 years*

Development of MyInvois policy and system stretched over 4 years with enhancements following up



e-Invoice in Malaysia is being implemented in 4 key phases from 2024 until 2026



*Taxpayers with annual turnover or revenue of below RM150k are exempt from implementing e-Invoicing, provided they meet specific predetermined conditions

A 6-month interim relaxation period has been granted for businesses to align with e-Invoice requirements



Allow issuance of consolidated e-Invoices and consolidated self-billed e-Invoices across all industries



Allow any transaction description within the “Product or Service Description” field



Allow suppliers to reject any request of e-Invoice for individual transactions



No prosecution for businesses under Section 120 of Income Tax Act 1967

MSMEs earning below RM150,000 annually are exempted from e-Invoicing

Micro SMEs earning below RM150,000 annually exempted from e-invoicing, says Amir Hamzah

By TARRENCE TAN, RAGANANTHINI VETHASALAM and TEH ATHIRA YUSOF



NATION

Tuesday, 02 Jul 2024

2:35 PM MYT

Related News



NATION 31 Jul 2024
1,596 of 13,304 micro cluster co-operatives are inactive, says Ramanan



MSMEs with annual earnings below RM150,000 are exempt from e-Invoicing; however, the exemption does not apply to certain entities:

- 1 taxpayers with **non-individual shareholders**, or
- 2 taxpayers are **subsidiaries of holding companies**, or
- 3 taxpayers has **related companies/joint ventures** with annual turnover or revenue > RM150,000

The RM150,000 annual turnover threshold for MSME is determined based on 3 criteria

1

Based on **annual turnover or revenue stated in the statement of comprehensive income** in the audited financial statements for relevant year

2

Based on **annual revenue reported in the tax return** for the relevant year of assessment

3

Taxpayers with **annual turnover or revenue exceeding RM150,000** for the relevant year

MSMEs must start implementing e-Invoicing from 1 January of the second year after their annual turnover or revenue exceed RM150,000

Malaysia's e-Invoicing Insights



Two key e-Invoice Guidelines are available to help taxpayers with implementation

E-INVOICE SPECIFIC GUIDELINE (VERSION 3.0)

LHDN MALAYSIA

E-INVOICE SPECIFIC GUIDELINE
INLAND REVENUE BOARD OF MALAYSIA
This guideline is issued under section 134A of the Income Tax Act 1967
(DATE OF PUBLICATION: 4 OCTOBER 2024)

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e-Invoice General Guideline

e-Invoice General Guideline

- Concept of e-Invoice with **explanation for taxpayers**
- **Guidance for taxpayers** in determining and assessing readiness for implementation

E-INVOICE GUIDELINE (VERSION 4.0)

LHDN MALAYSIA

E-INVOICE GUIDELINE
INLAND REVENUE BOARD OF MALAYSIA
This guideline is issued under section 134A of the Income Tax Act 1967
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e-Invoice Specific Guideline

Specific Guideline

- **Additional details** to the e-Invoice Guideline on specific areas across various industries
- **Include scenarios for better explanation** of various e-Invoice treatments

The Software Development Kit (SDK) is available for taxpayers to integrate their systems with the MyInvois System



Software Development Kit (SDK)

Comprehensive suite of tools, libraries and resources, complete with APIs and development guidelines, designed to facilitate the seamless integration of business systems with the MyInvois System

- API (Platform & e-Invoice)
- Types (Invoice, Credit Note, Debit Note, Refund Note, Self-Billed etc.)
- Codes Tables
- Document Validations Rules
- Digital Signature

Additional supporting documents are also available to aid in understanding the guidelines



E-Invoice Illustrative Guide

E-Invoice Illustrative Guide

- **Illustrative guide** that aims to enhance understanding on e-Invoice treatments for various scenarios



Frequently Asked Questions (FAQs)

General FAQs

- Answers to frequently asked questions about e-Invoice
- **Industry Specific FAQs**
- Answers to industry specific frequently asked questions about e-Invoice



Other Key Reference materials

E-Invoice Awareness / Educational videos and Infographics

- **Engaging videos and graphics** designed to clearly explain e-Invoice to taxpayers

Malaysia's E-Invoicing Concept and Implementation



e-Invoice in Malaysia adopts the CTC Model with two (2) transmission mechanisms

CONTINUOUS TRANSACTION CONTROL (CTC) MODEL

A model that enables a **high level of control** through **validation of invoice data received by IRBM** as well as **allowing flexibility to taxpayers** to decide on their preferred ways to transmit e-Invoice data to LHDNMM for **near real-time validation**

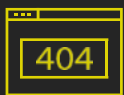
1

MyInvois Portal/Mobile App

A portal/mobile app **hosted by IRBM** as an option that is **available to taxpayers** at no cost



Accessible to all taxpayers



Available to taxpayers who need to issue e-Invoice but API connection is down

2

Application Programming Interface (“API”)

An API is a set of programming code that enables **direct transmission** between the **taxpayers’ system** and **MyInvois System**

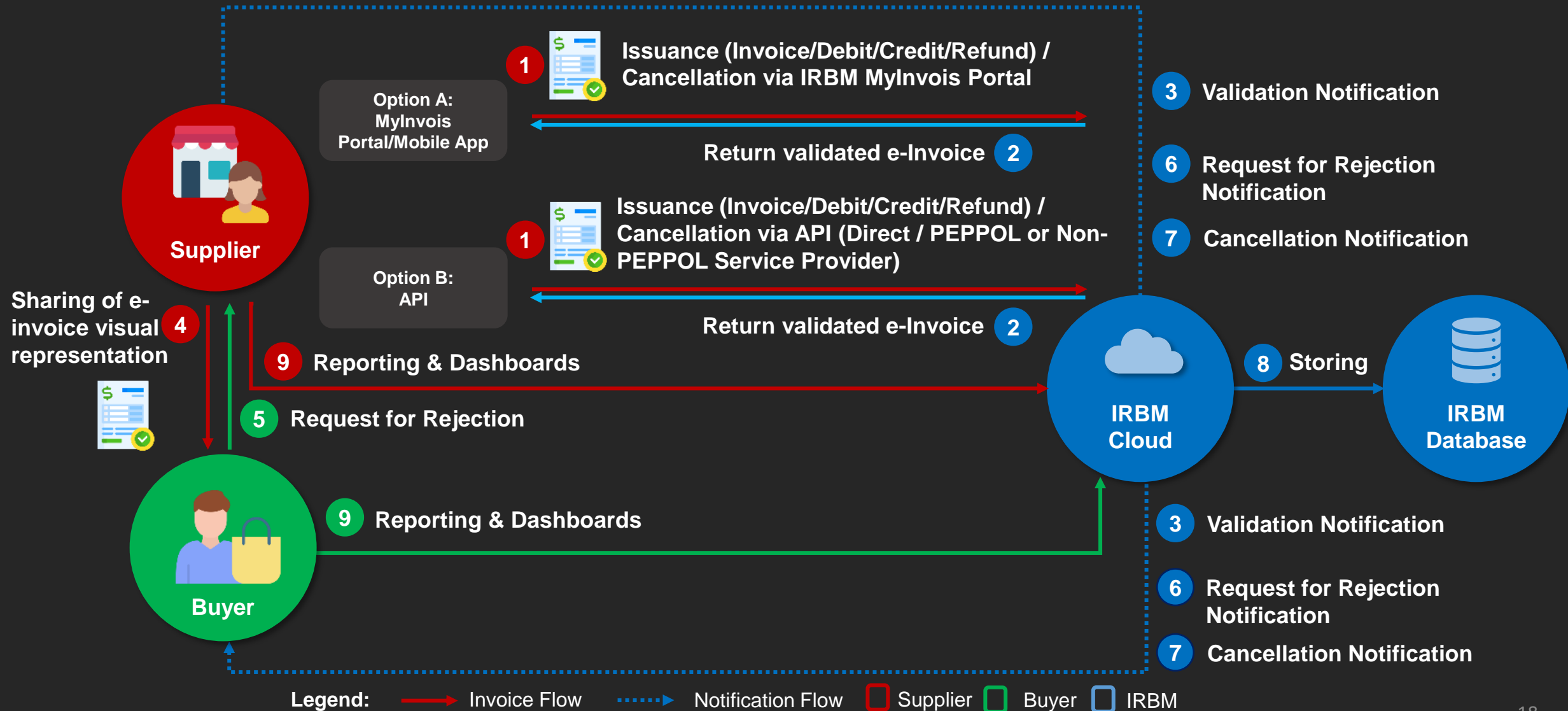


Requires upfront investment in technology and adjustments to existing systems



Ideal for large taxpayers or businesses with substantial transaction volume

Overview of MyInvois System in Malaysia



35 mandatory data fields required for e-Invoice submissions

35 Mandatory Data Fields

SUPPLIER DETAILS		INVOICE DETAILS		PRODUCTS / SERVICES	
1.	Supplier's Name	16.	e-Invoice Version	24.	Classification
2.	Supplier's Tax Identification Number (TIN)	17.	e-Invoice Type	25.	Description of Product or Service
3.	Supplier's Registration / Identification Number / Passport Number	18.	e-Invoice Code / Number	26.	Unit Price
4.	Supplier's SST Registration Number	19.	Original e-Invoice Reference Number (if applicable)	27.	Tax Type
5.	Supplier's Tourism Tax Registration Number	20.	e-Invoice Date and Time	28.	Tax Rate (if applicable)
6.	Supplier's Malaysia Standard Industrial Classification (MSIC) Code	21.	Issuer's Digital Signature	29.	Tax Amount (if applicable)
7.	Supplier's Business Activity Description	22.	Invoice Currency Code	30.	Details of Tax Exemption (if applicable)
8.	Supplier's Address	23.	Currency Exchange Rate (if applicable)	31.	Amount Exempted from Tax (if applicable)
9.	Supplier's Contact Number			32.	Subtotal
BUYER DETAILS				33.	Total Excluding Tax
10.	Buyer's Name			34.	Total Including Tax
11.	Buyer's TIN			35.	Total Payable Amount
12.	Buyer's Registration / Identification Number / Passport Number				
13.	Buyer's SST Registration Number (if applicable)				
14.	Buyer's Address				
15.	Buyer's Contact Number				

There are 6 common types of e-Invoice and scenarios

1

Individual e-Invoice

2

Consolidated e-Invoice

3

Certain activities that require e-Invoice to be issued for each transaction (i.e., consolidation of e-Invoice is not allowed)

4

Self-billed e-Invoice

5

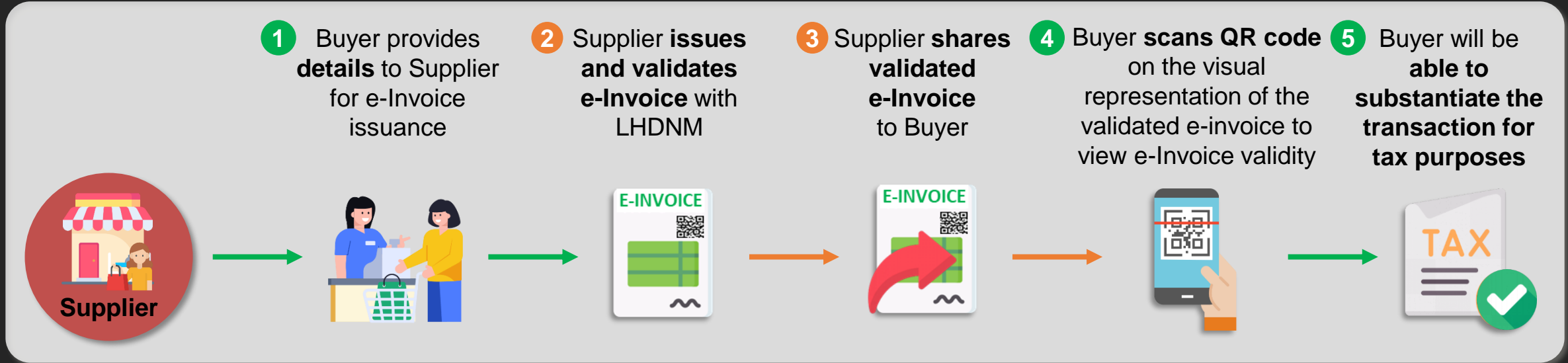
Consolidated Self-billed e-Invoice

6

e-Invoice for e-commerce transactions

Individual e-Invoice:

If Buyer requires an e-Invoice, Suppliers will issue an individual e-Invoice



Individual Buyer to provide details



Malaysian

- TIN; and/ or
- MyKad / MyTentera Identification Number



Non-Malaysian

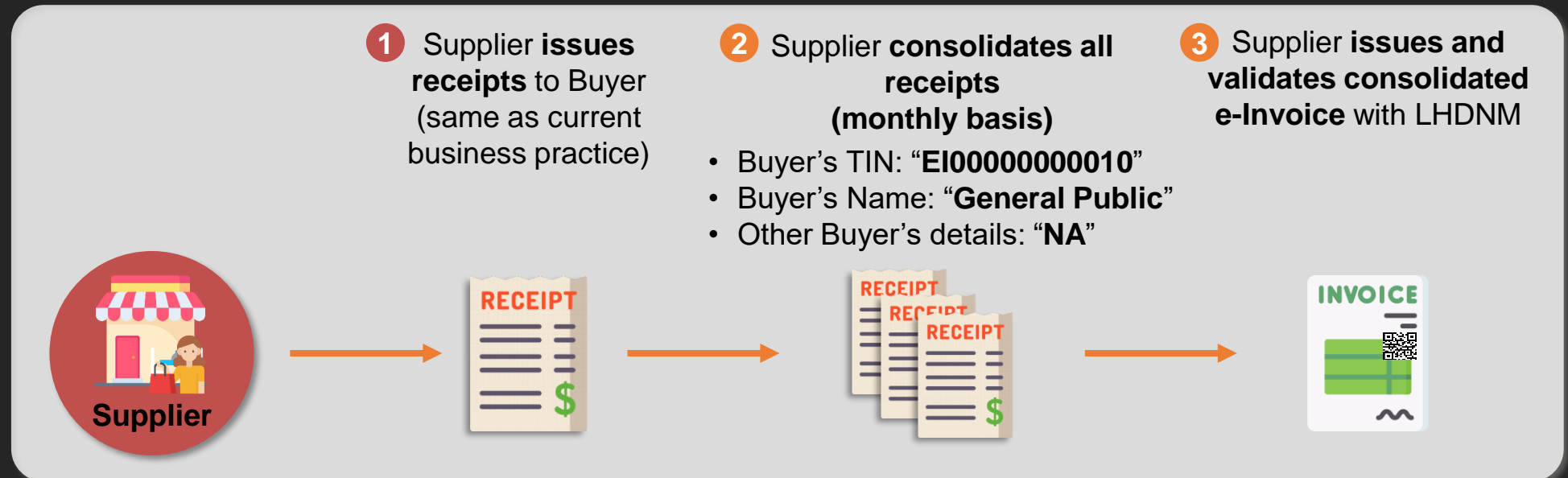
- TIN; and
- Passport number / MyPR / MyKAS identification number

Legend:  Supplier  Buyer

Consolidated e-Invoice:

If Buyers do not require an e-Invoice, Supplier is required to submit consolidated e-Invoice within 7 calendar days after the month end

If Buyers
do not
request
e-Invoice



Buyers can still use existing documentation (e.g., receipts) to claim for tax deduction/ tax relief purposes

Consolidated e-Invoice:

All businesses can issue consolidated e-Invoices, except for those engaged in 7 specific activities

Activities that requires e-Invoice to be issued for each transaction



Automotive



Aviation



Construction



**Wholesalers and retailers
of construction materials**



**Agents/dealers/
distributors**



**Luxury goods
and jewellery
(On hold)**



**Licensed betting
and gaming**

Taxpayers undertaking these activities are:

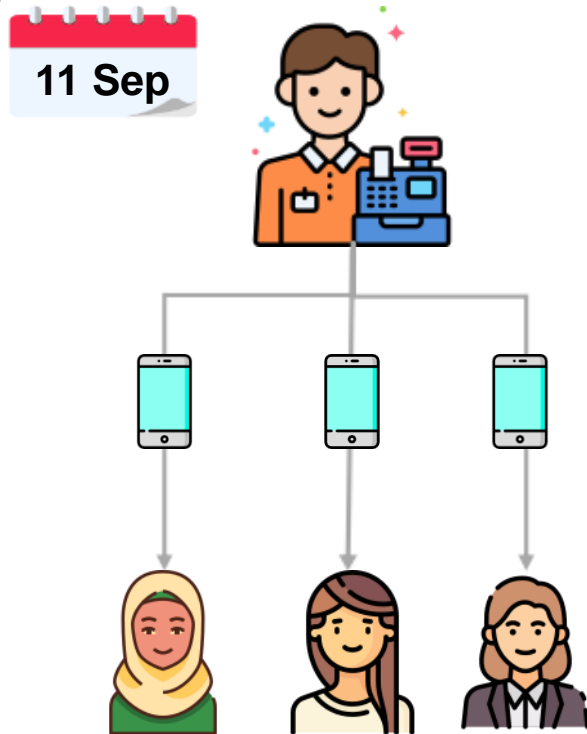
- Required to issue e-Invoice for each transaction with Buyers
- Required to obtain the Buyer's details for the issuance of e-Invoice
- Will not be allowed to issue consolidated e-Invoice

Refer to section 3.7 of e-Invoice Specific Guideline for information on activities that require e-Invoice to be issued for each transaction

Example Scenario of Consolidated e-Invoice:

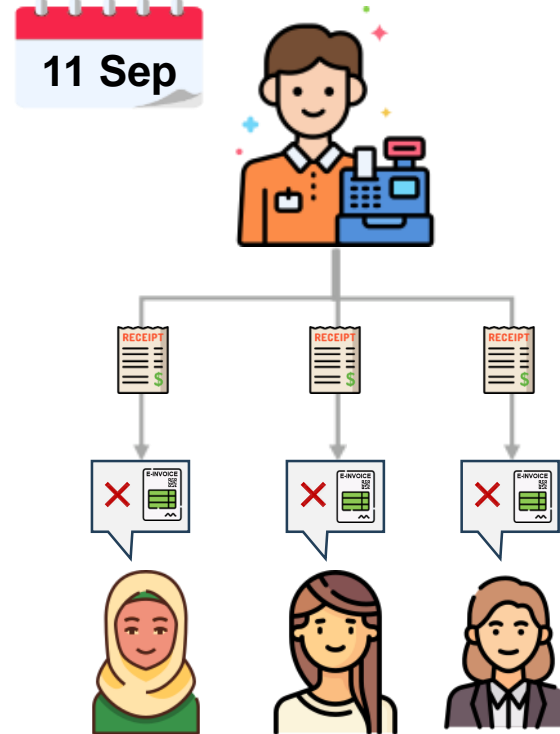
Where Buyers do not require an e-Invoice, Supplier is required to submit consolidated e-Invoice

1



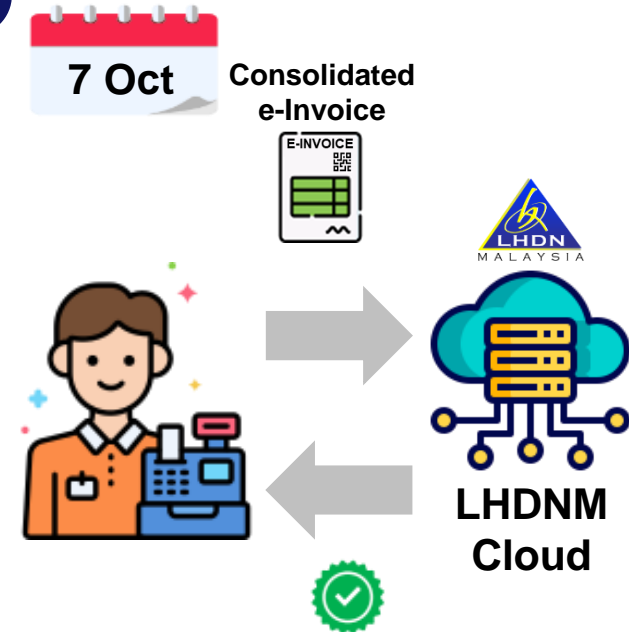
On 11 September, Aina, Cass and Tina bought smartphones from Kedai Elektronik Smart Gadget.

2



As they did not request for e-Invoices, Bobby issues them normal receipts.

3



By 7 October¹, Bobby totals all receipts from transactions of customers who did not request for an e-Invoice and submits them as a consolidated e-Invoice² to LHDNM.

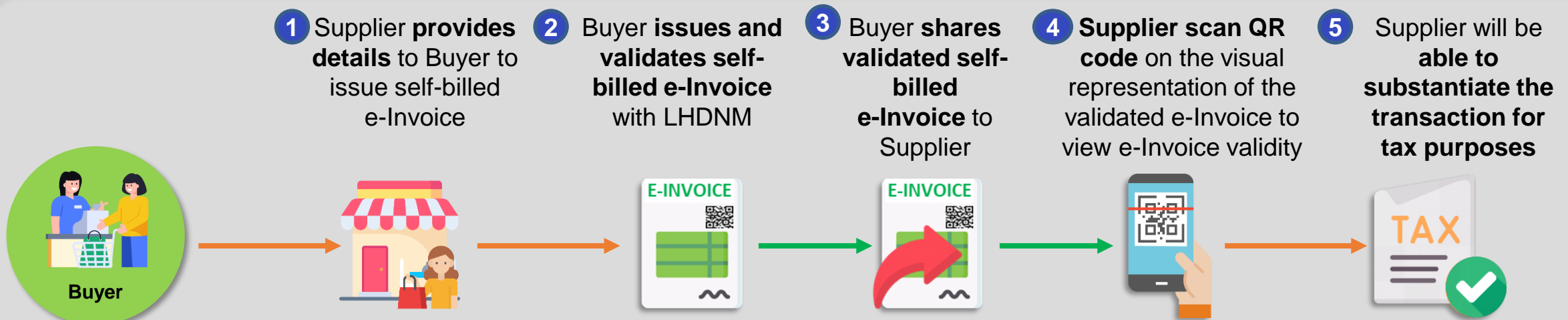
*Notes:

1. Consolidated e-Invoices are to be submitted to LHDNM, within seven (7) calendar days after the month end.
2. Activities or transactions listed under Section 3.7 of the e-Invoice Specific Guideline are not allowed to be consolidated.

Self-billed e-Invoice:

Under certain circumstances, Buyer will assume the role of Supplier and issue self-billed e-Invoice to record transaction

Under certain circumstances, the Buyer is allowed to issue a Self-Billed e-Invoice

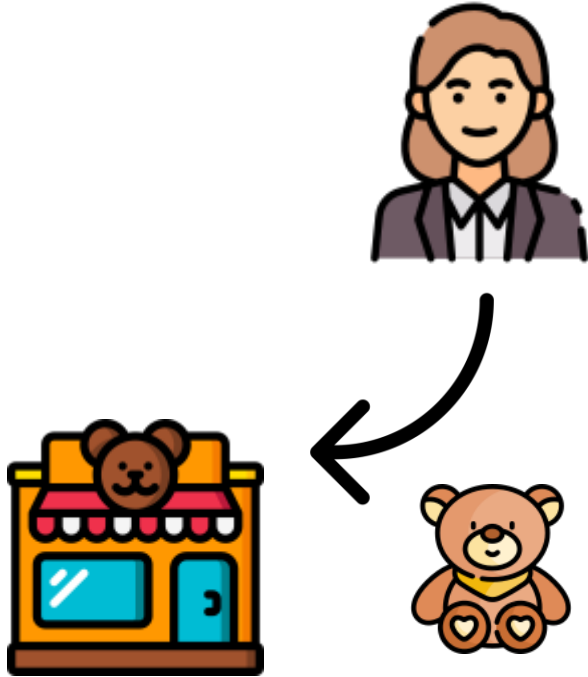


Refer to section 8.3 of e-Invoice Specific Guideline for information on certain circumstances allowed to issue self-billed e-Invoice

Example Scenario of Self-billed e-Invoice:

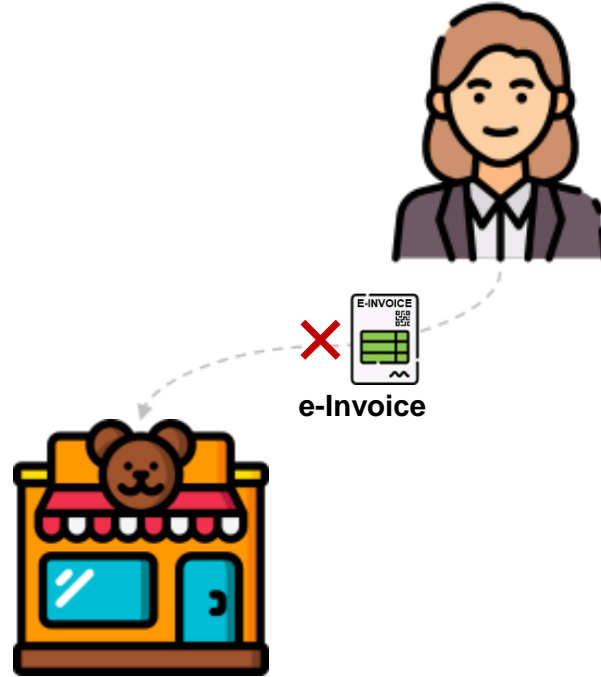
Buyer to issue a self-billed e-Invoice when purchasing products from an individual who is not conducting a business

1



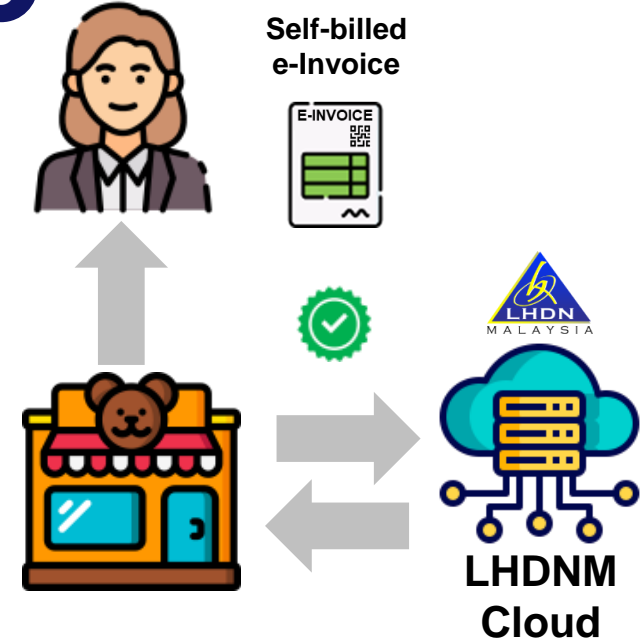
Tina sells one of her teddy bears to Kedai Permainan Cuddle Bears, which buys and sells used toys.

2



As an individual not engaged in business is exempt from issuing **e-Invoice**, Tina is not obligated to issue an e-Invoice to Kedai Permainan Cuddle Bears.

3



Instead, Kedai Permainan Cuddle Bears is required to create and submit a self-billed e-Invoice for the purchase of the teddy bear from Tina to record the expenses.

Refer to section 8.3 of e-Invoice Specific Guideline for information on certain circumstances allowed to issue self-billed e-Invoice

Consolidated Self-Billed e-Invoice:

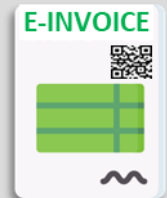
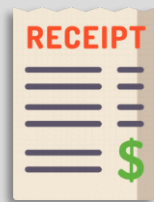
Under certain circumstances, Buyer will assume the role of Supplier and issue consolidated self-billed e-Invoice to record transaction

Under certain circumstances, the Buyer is allowed to issue a Consolidated Self-Billed e-Invoice

1 Buyer **issues receipts** to Supplier as proof of transaction

2 Buyer **consolidates all receipts** (monthly basis)

3 Buyer **issues and validates consolidated self-billed e-Invoice** with LHDNM

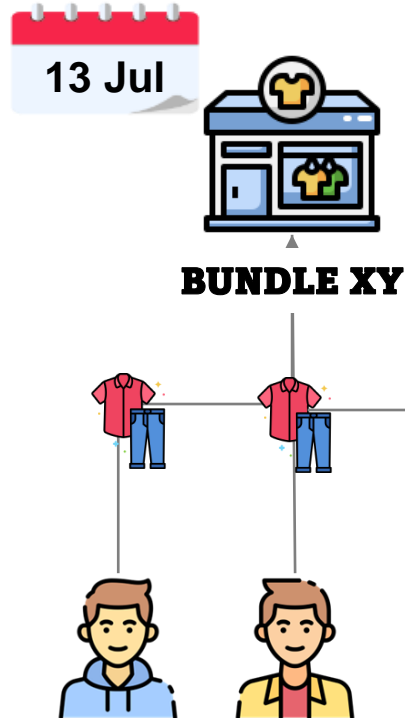


Refer to section 3.6.5 of e-Invoice Specific Guideline for information on certain circumstances allowed to issue consolidated self-billed e-Invoice

Example of Consolidated Self-Billed e-Invoice:

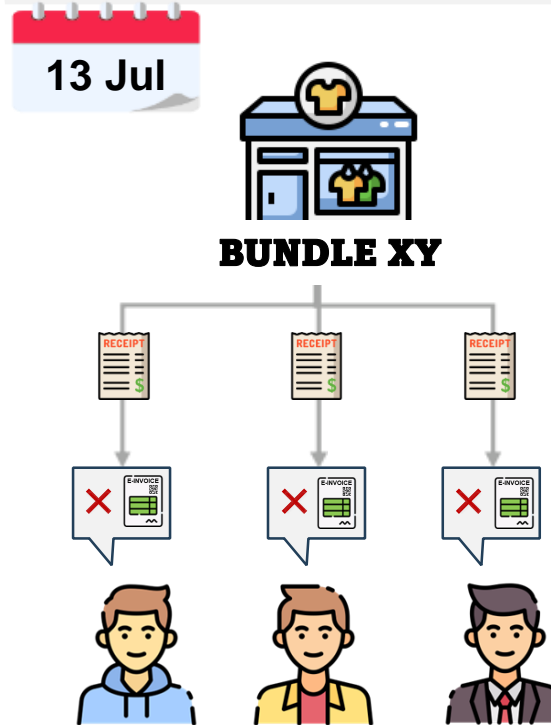
Buyer need to issue a consolidated self-billed e-Invoice when purchasing products from an individual who is not conducting a business

1



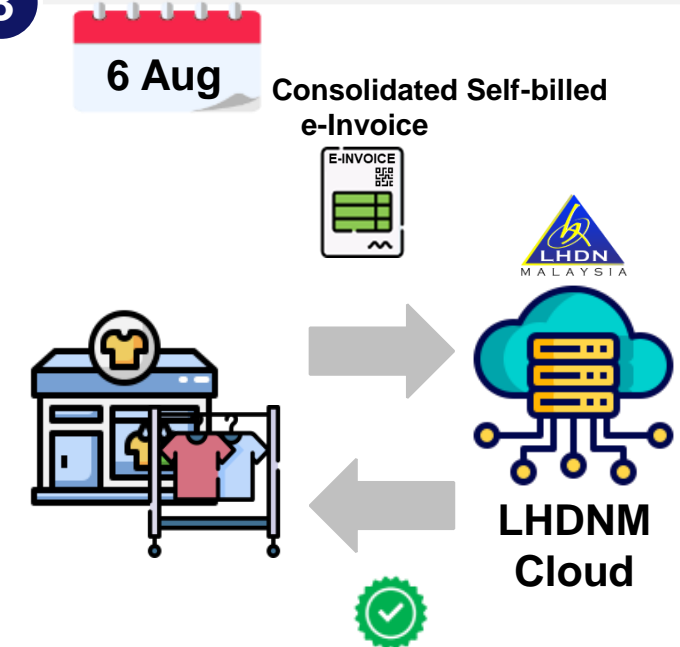
Bundle XY Shop is a clothing retail store that purchases and sells used clothing. On 13 July, Bob, Tom and Ali sold their clothing to Bundle XY Shop.

2



As they did not request for e-Invoices, Bundle XY Shop issues them normal receipts.

3



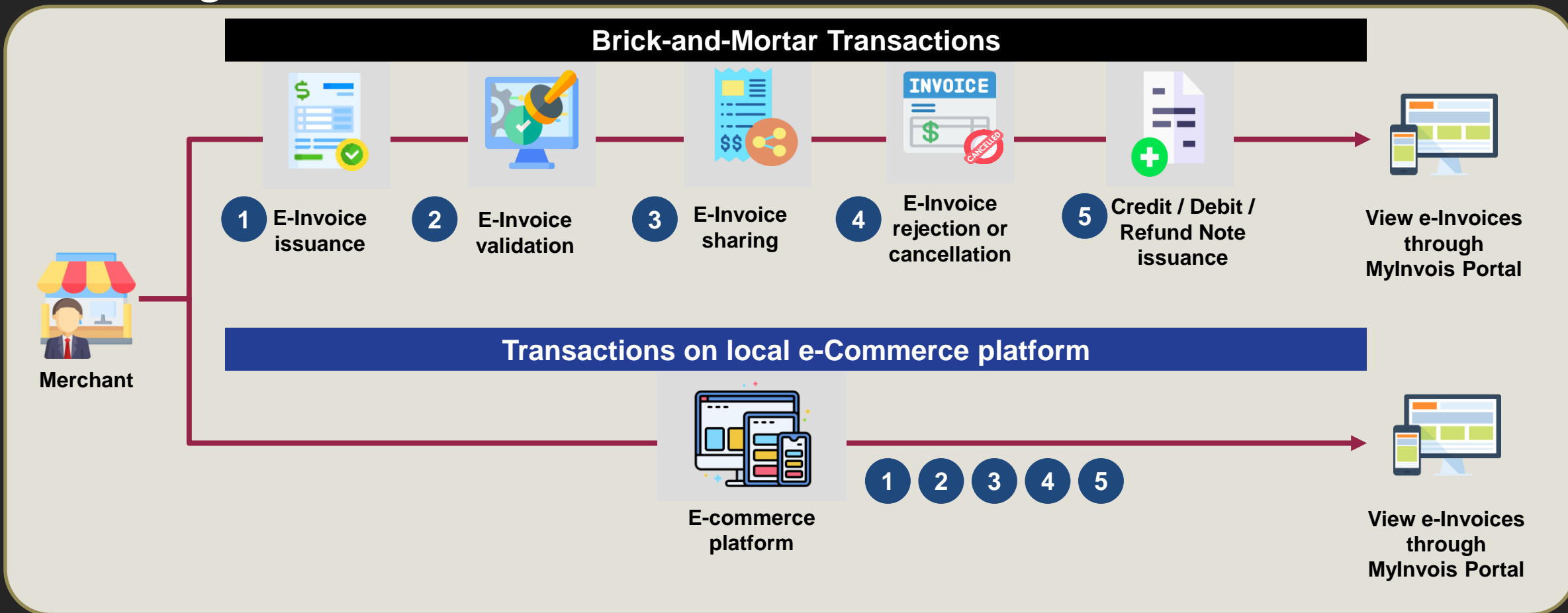
By 6 August¹, Bundle XY Shop totals all receipts from transactions of customers who did not request for an e-Invoice and submits them as a consolidated² self-billed e-Invoice to LHDNM.

*Notes:

1. Consolidated e-Invoices are to be submitted to LHDNM, within seven (7) calendar days after the month end.
2. Activities or transactions listed under Section 3.7 of the e-Invoice Specific Guideline are not allowed to be consolidated.

e-Invoice for e-commerce transactions:

E-commerce platform are responsible to assume the role of Supplier in facilitating the issuance of e-Invoice

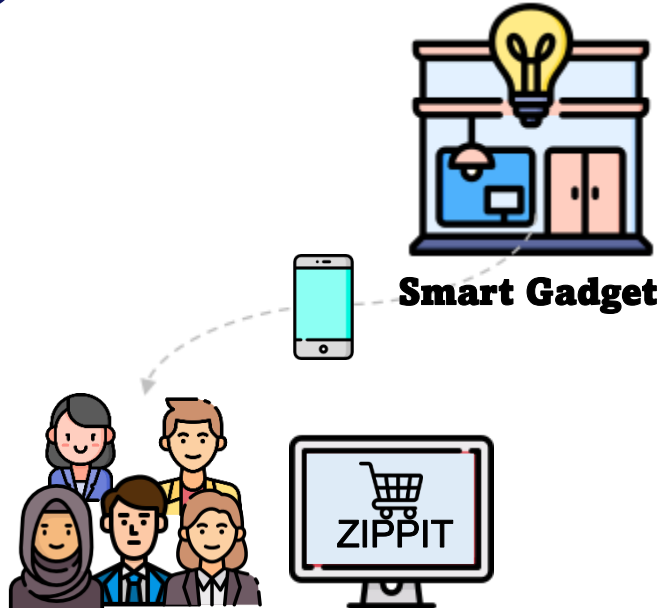


Merchants / service providers are **NOT REQUIRED** to issue any e-Invoice / self-billed e-Invoice for transactions conducted on e-Commerce platform

Example of e-Invoice for e-commerce transactions:

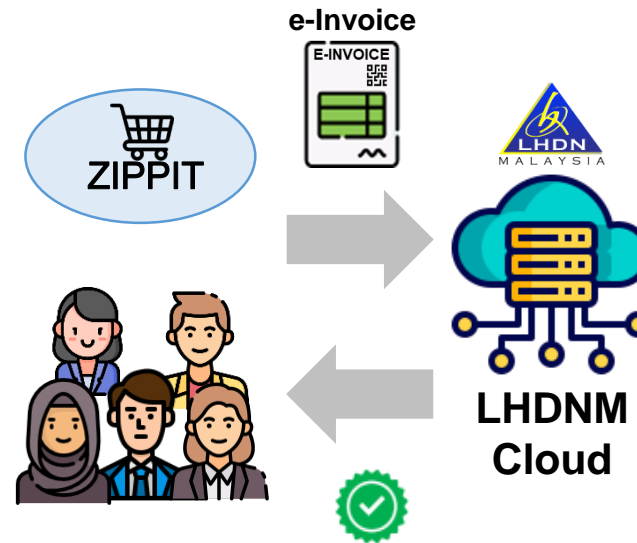
For MSMEs selling goods on local e-commerce platforms, the obligation to issue e-Invoice rests with the e-commerce platform provider

1



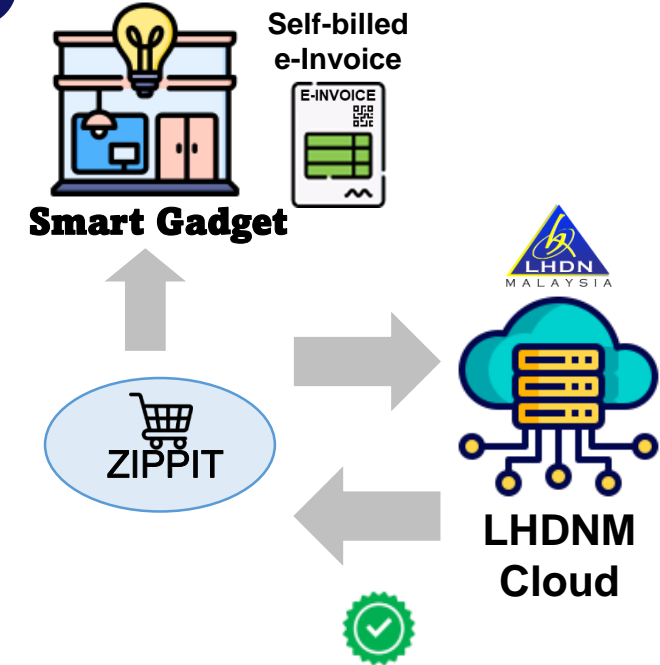
Kedai Elektronik Smart Gadget is an MSME with an annual revenue of less than RM150,000. It sells products to Buyers via the local e-commerce platform, Zippit

2



If Buyers require an e-Invoice, Zippit is required to submit an e-Invoice to LHDNM and share the visual representation of the e-Invoice with the Buyers






3



Zippit is also required to submit a self-billed e-Invoice to LHDNM to record the payment to Kedai Elektronik Smart Gadget (Supplier)

***Note:** MSMEs with an annual revenue or turnover of below RM150,000 that sell goods via an e-commerce platform are obligated to provide details to the e-commerce platform provider for issuance of e-Invoice

Key challenges were addressed through solutions facilitated by IRBM's dedicated support for taxpayers.

Challenges	Solution
 <p>Tax Identification Number (TIN) details collection</p>	<p>Implemented a TIN search feature enabling taxpayers to locate their Tax Identification Number using personal identification details.</p>
 <p>Tax Deductibility</p>	<p>Permitted the use of e-Invoices or existing documents for tax claims.</p>
 <p>Specific transactions in a business</p>	<p>Engaged with targeted industries to address specific e-invoicing procedural or technical concerns</p>
 <p>Submission sizing limitation</p>	<p>Outlined e-invoice submission size limits through the Software Development Kit (SDK) communication</p>
 <p>Security measures</p>	<p>Achieved compliance with the ICT Security Policy (Dasar Keselamatan ICT) and ISO standards through certification acquisition</p>

LHDN provides 4 mechanisms for taxpayers to transmit e-Invoice



Application Interface Programming (API)

What is it?

- A set of programming code that connects the ERP system with MyInvois System

Who is it ideal for?

- Large taxpayers
- Businesses with high transaction volume



MyInvois Portal

- A portal hosted by LHDNM as an option that is available to taxpayers at no cost

- All taxpayers, including MSMEs



MyInvois Mobile App

- A free mobile app provided by LHDNM for taxpayers to use
- Has similar features to MyInvois Portal

- All taxpayers, including MSMEs



MyInvois ePOS

- An electronic Point-of-Sale (ePOS) with basic functionalities
- Integrated with MyInvois and MyTax systems

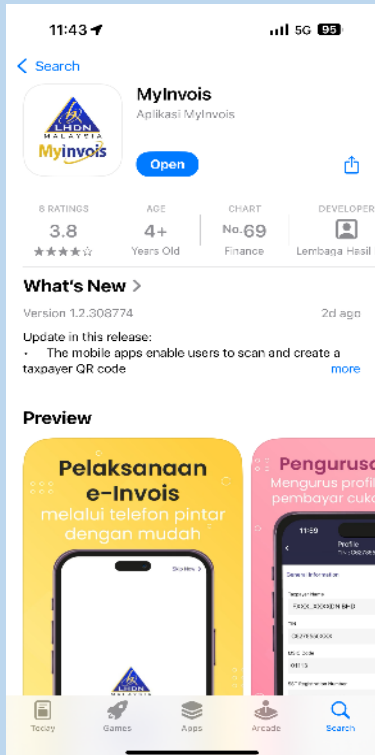
- MSMEs without any accounting/ ERP solutions

Launched for Pilot

Likely utilised by most MSMEs

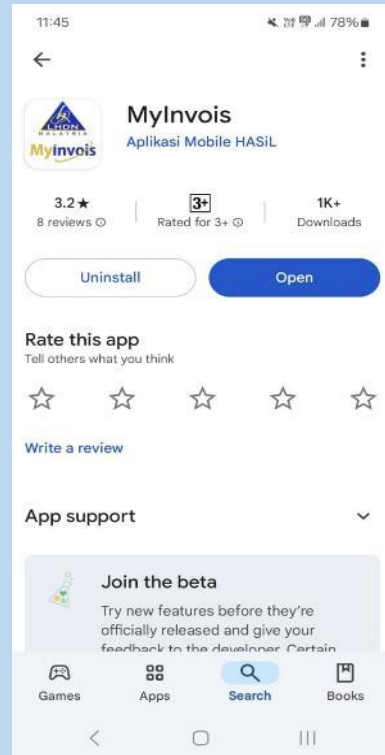
MyInvois Mobile App has been launched to enable taxpayers to submit e-Invoices through mobile devices

iOS



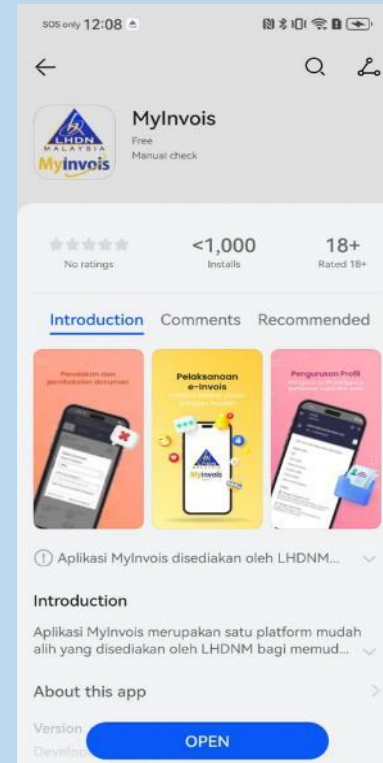
For iOS 16.0 or higher

Android



For Android 13 or higher

Huawei

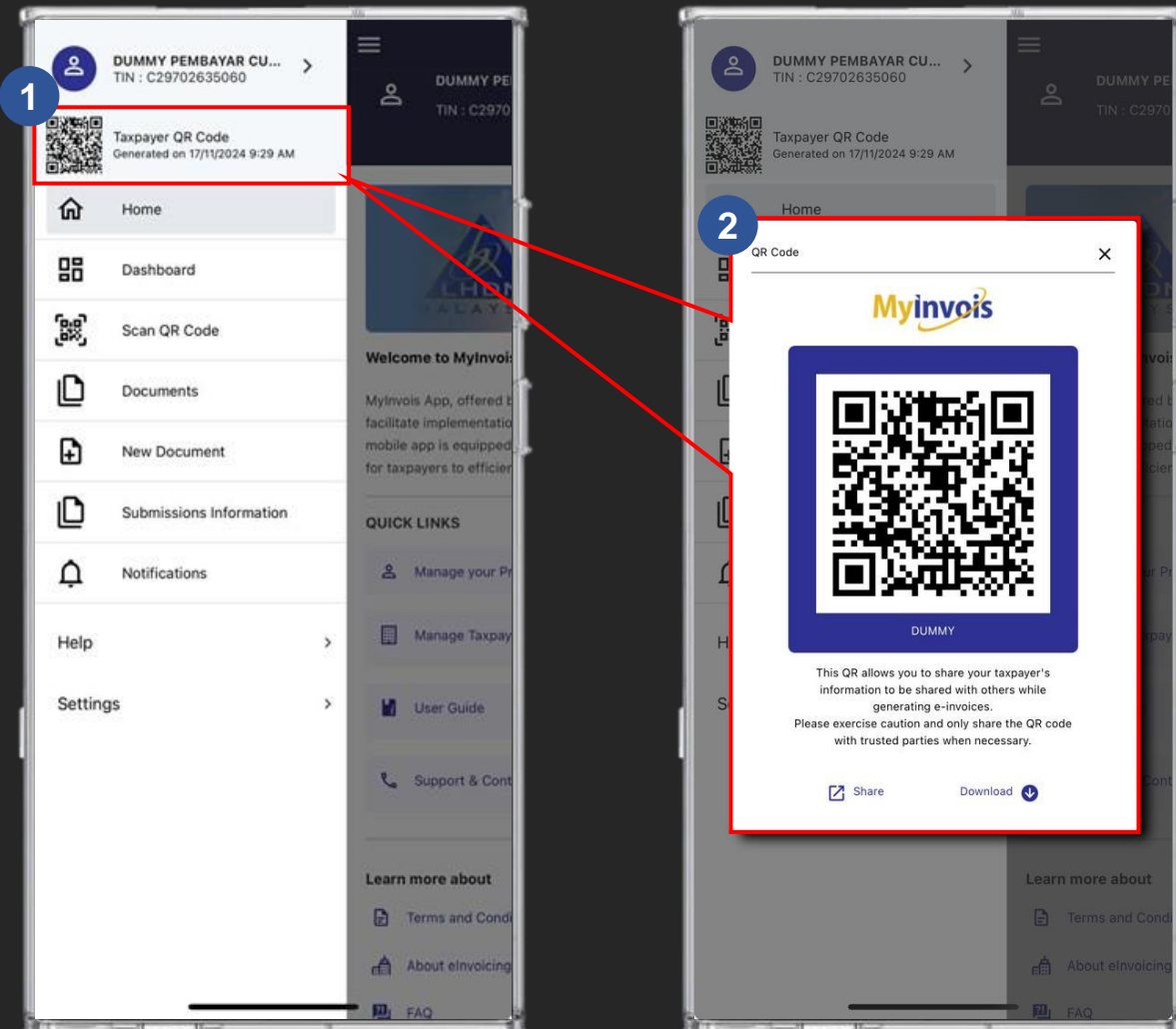


For EMUI 8.0 or higher

MyInvois Mobile App

- **Multi-device digital platform** that simplifies e-Invoicing
- Available on **iOS, Android, and Huawei** devices
- **Free and accessible for all** taxpayers to use
- Consists of e-Invoice issuance and management **features similar to MyInvois Portal**

Taxpayer QR Code has been introduced to simplify the sharing of Buyer details with Suppliers when issuing e-Invoices

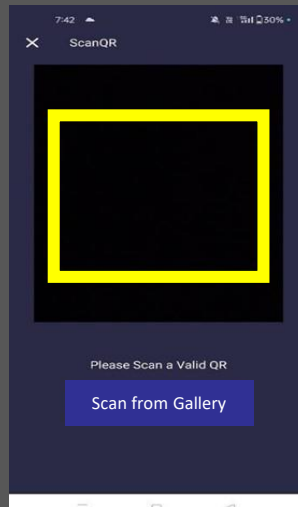


- Taxpayer can share the Taxpayer QR Code with Suppliers to **automatically populate Buyer's details** based on the Taxpayer's Profile.
- Details that will be auto-populated include:
 - **Name**
 - **Tax Identification Number (TIN)**
 - **ID Type & Number**
 - **Contact Number**
 - **Address**
 - **Email**
 - **Others** (SST registration number, Tourism Tax Registration Number and Business Activity Description if applicable)

The Scan QR Code function enable Suppliers to easily scan the Buyer's Taxpayer QR Code for e-Invoice issuance



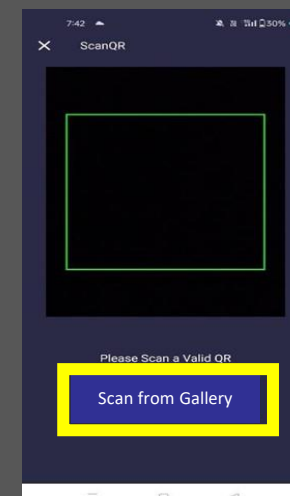
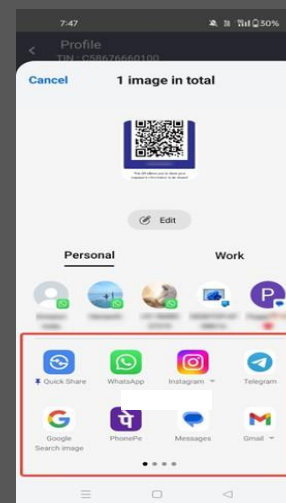
Supplier



Option 1

Scan QR code directly from
Buyer's MyInvois App

OR



Option 2

Scan shared Taxpayer QR Code
from Gallery

Government allowed searching of TIN and shared publicly for e-invoice purposes

FORMER



Confidentiality of Tax Identification Number (TIN) governed under Section 138 of the Income Tax Act 1967

TIN could **not be shared publicly** or searched by a party other than the taxpayer themselves



Feedback from taxpayers on the **difficulty in obtaining information** from the other party for the issuance of e-Invoice



PRESENT



Amendment of Section 66A of the Income Tax Act 1967 to make TIN no longer as part of classified material defined under **Section 138(5) of the same Act**



Enhanced accuracy to facilitate tax compliance



Streamlining processes for taxpayers in obtaining the relevant information for the issuance of e-Invoice

Search TIN function is now available allowing users to search for taxpayer's TIN to facilitate the e-Invoicing process

1 Access through MyTax Portal



TIN Search

- Accessible via MyTax Portal (<https://mytax.hasil.gov.my>)
- Integrated with MyInvois system
- Requires authentication via MyDigital ID, available only for Malaysian nationals

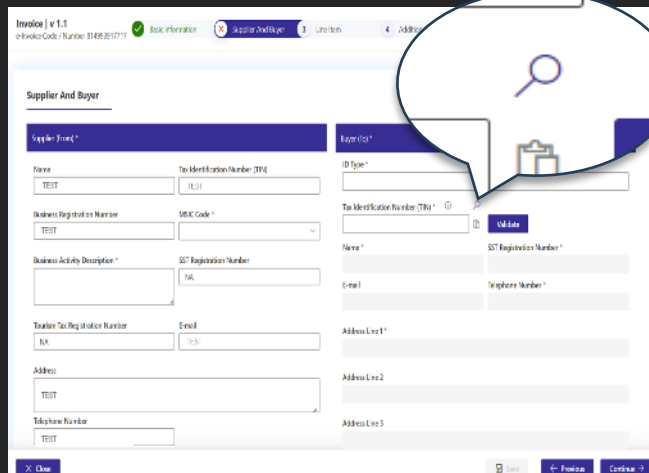
- Individual taxpayers can search TIN using:

- 1) Identity Card Number
- 2) Passport Number

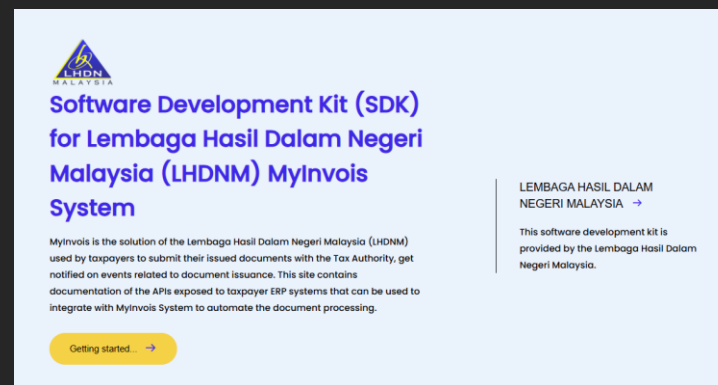
- Businesses can search TIN using:

- 1) Business Registration Number (BRN)
- 2) Company Name

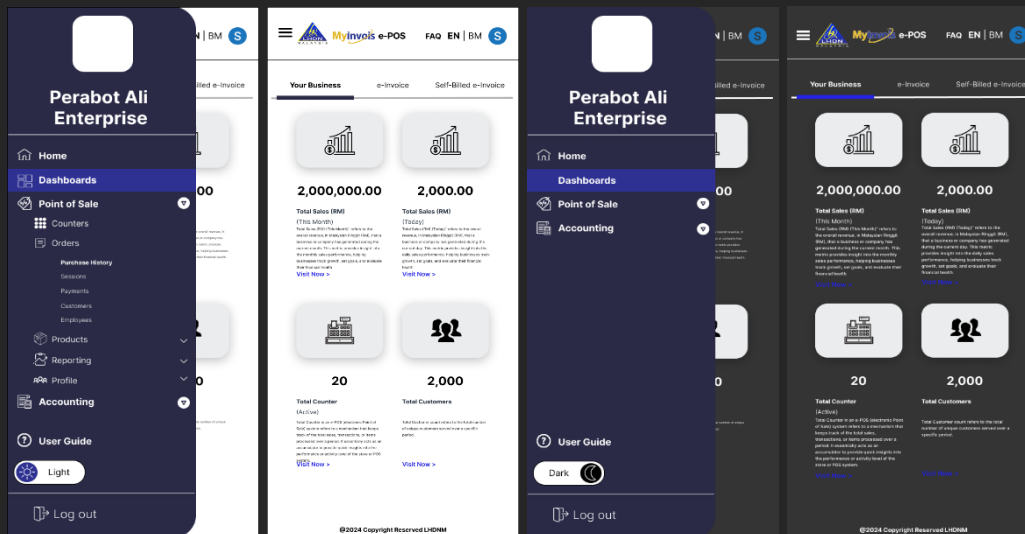
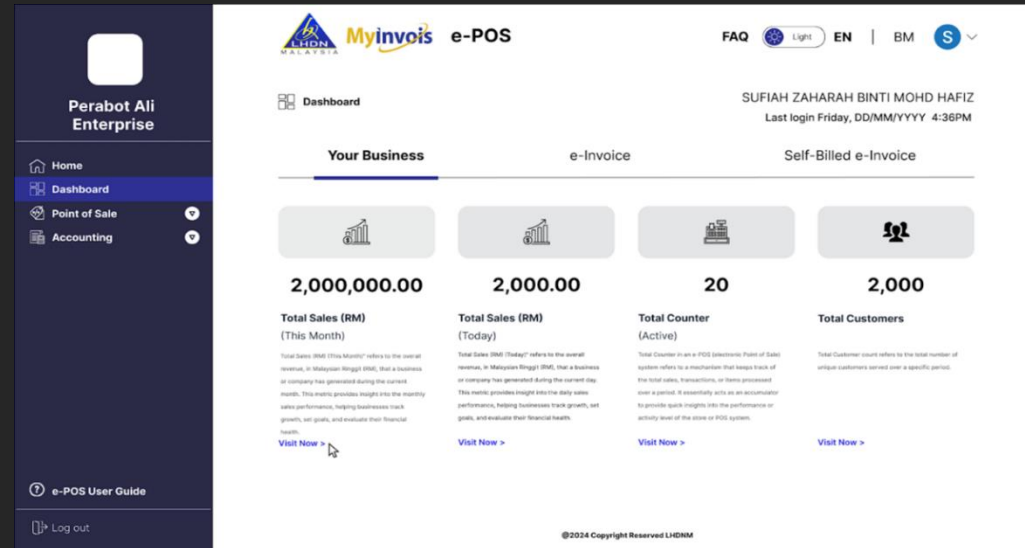
2 Access through MyInvois Portal



3 Access using API



Launched for Pilot: The MyInvois ePOS will enable MSMEs to digitize their sales and invoicing while complying with the e-Invoicing requirements



KEY FEATURES

1

Registration & Point-of-Sale

Experience seamless setup with MyTax integration

2

Inventory & Invoicing

Manage stock in real-time and ensure MyInvois compliance with automated invoice generation

3

Accounting

Maintain accurate financial records

4

Reporting & Analysis

Gain insights through intuitive dashboards

5

Security

Protect your data with robust access control and comprehensive audit logs

Incentives are introduced to ease e-Invoice implementation

Tax deduction

- ***Tax deduction of up to RM50,000 for each YA given on ESG-related expenditure, including consultation fee for the implementation of e-Invoice incurred by MSMEs (Effective from YA2024 to YA2027)***

Capital Allowance

- ***Reduction in the capital allowance claim period from 4 years to 3 years***
the capital allowance rate will be revised to 40% initial allowance and 20% annual allowance¹
(Effective from year of assessment 2024)



Taxpayers who did not utilise the interim relaxation:

- **Accelerated capital allowance to be fully claimed over a period of 2 years**
the capital allowance rate will be revised to 20% initial allowance and 40% annual allowance¹

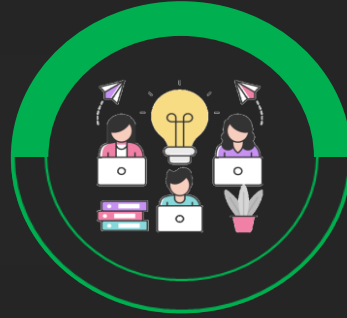
***Note:** Only applicable for:

- Purchase of ICT equipment and computer software package,
- Consultation, licensing and incidental fees related to customised computer software development

Key Learning: Taxpayers are encouraged to take early actions for smoother transition to e-Invoicing

PROACTIVE PIONEERS

who began their journey early ahead of the implementation deadline



Fixes ERP/ accounting system issues early to avoid disruptions



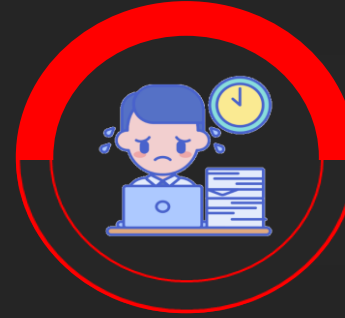
Adjusts in advance for seamless operations and compliance



Maintains open dialogue with LHDNM for advice and updates



Avoids last-minute panic due to early planning



REACTIVE ENTRANTS

who began their journey late



Delay in securing service provider's support due to lengthy procurement process



Tackles problems as they arise, without proper planning



Challenges in getting internal consensus (e.g., between IT, finance, tax, etc.) due to tight timeline



Faces challenges in collecting detailed information from stakeholders when pressed for time.

Early action leads to smooth transition

Leverage the interim relaxation and ensure ongoing compliance beyond

Taxpayers are advised to leverage resources from various LHDNM channels to fully understand e-Invoicing

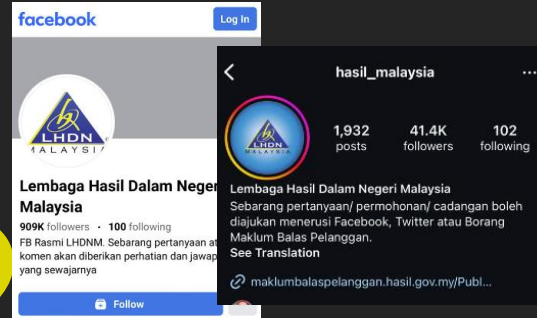
1







e-Invoice Microsite

- Key information about e-Invoice
- e-Invoice Guidelines & Software Development Kit (SDK)
- Frequently Asked Questions (FAQ)
- Key reference materials on e-Invoice

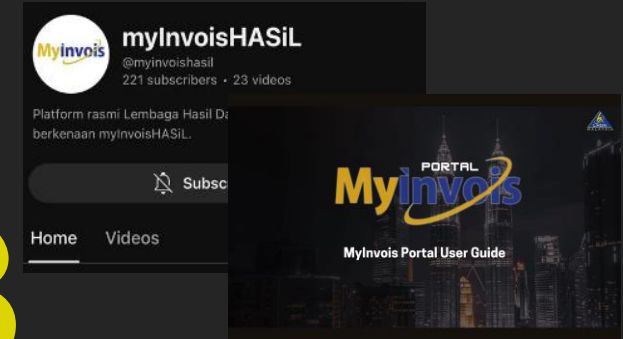
2



Social Media Platform

-  @myinvoishasil
-  @myinvoishasil
-  @myinvoishasil
-  @myinvoishasil

3



YouTube

- MyInvois Portal User Guide
- Promotional and Educational videos



For more information, scan the QR code or access LHDNM's microsite via LHDNM's official portal at <https://www.hasil.gov.my>

Our Helpdesk is available to assist you on any queries

Email



- Email:
myinvois@hasil.gov.my
- MyInvois Customer Feedback Form



Telephone



- +603-8682 8000
- Operating Hours:
24 hours (Monday to Sunday)

Chat



- Operation Hour:
9:00am to 5:00pm
(Monday to Friday)
excluding Public Holidays



THANK YOU

*‘Bersama-Sama
Membangunkan Negara’*

