

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING



Ani

One of the
RSM team



Tax Update: E-Invoice
April 2024

GLOSSARY

Abbreviation / Acronym	Description
API	Application Programming Interface
ERP	Enterprise Resource Planning
Guideline 2.2	E-Invoice Guideline (Version 2.2) dated 9 February 2024
Guideline 2.3	E-Invoice Guideline (Version 2.3) dated 6 April 2024
MIRB	Malaysia Inland Revenue Board
MITA	Malaysian Income Tax Act 1967
RM	Malaysian Ringgit
SDK	Software Development Kit
Specific Guideline 2.0	E-Invoice Specific Guideline (Version 2.0) dated 9 February 2024
Specific Guideline 2.1	E-Invoice Specific Guideline (Version 2.1) dated 6 April 2024
TIN	Tax Identification Number

INTRODUCTION

The MIRB has released / published the following in relation to e-Invoice on 6 April 2024: -

- E-Invoice SDK version 1.0
- Guideline 2.3** to replace Guideline 2.2
- Specific Guideline 2.1** to replace Specific Guideline 2.0

***Issued under the new section 134A of MITA to facilitate compliance with e-Invoice.*

Based on the MIRB's media release dated 10 April 2024, the MIRB has made the MyInvois Testing Environment (Sandbox) accessible to taxpayers and service providers to perform testing on integration (through API) between the taxpayer's system with MIRB's MyInvois system.

Access to Sandbox for companies participating in pilot programme is opened **from 10 April 2024** whereas access for other companies and service providers is opened **from 22 April 2024**.

Taxpayers and service providers who intend to access to Sandbox are required to apply for Client ID and Client Secret via sdkmyinvois@hasil.gov.my. The following information are required for the application:-

i. Taxpayer's TIN	ii. Business Registration Number	iii. Company Name	iv. Company Email Address	v. Name of ERP System
----------------------	---	-------------------------	------------------------------------	-----------------------------

To recap, the mandatory e-Invoice implementation timeline will commence on 1 August 2024 (for taxpayers with annual turnover of more than RM100 million): -

Targeted Taxpayers	Implementation Dates
Taxpayers with an annual turnover or revenue of more than RM100 million	1 August 2024
Taxpayers with an annual turnover or revenue of more than RM25 million and up to RM100 million	1 January 2025
All other taxpayers (including new businesses commencing operations from year 2023 onwards)	1 July 2025

Some of the key highlights (from Guideline 2.3 and Specific Guideline 2.1)

Areas	Key takeaways
1. Issuer's digital signature	<ul style="list-style-type: none"> i. Where taxpayers have engaged the services of service providers, taxpayers shall sign the e-Invoice by using the service provider's digital certificate. ii. Refer to SDK for more details on digital certificate.
2. Consolidation of e-Invoice	<ul style="list-style-type: none"> i. Consolidation of e-Invoice is not applicable to self-billed e-Invoice except for :- <ul style="list-style-type: none"> a. Acquisition of goods or services from individual taxpayers (who are not conducting a business) b. Interest payment to general public (regardless of businesses or individuals) ii. Consolidated e-Invoices submitted to MyInvois System need to meet the following size requirements: - <ul style="list-style-type: none"> a. Maximum size of 5MB per submission; b. Maximum of 100 e-Invoices per submission; and c. Maximum size of 300KB per e-Invoice.

Areas

Key takeaways

3. Self-billed e-Invoice

- i. Where buyers are required to assume the role of suppliers to issue self-billed e-Invoice, buyers are required to share validated self-billed e-Invoice with the suppliers.
- ii. Interest payment that **does not require self-billed e-Invoice**: –
 - a. Businesses such as financial institutions that charge interest to the general public (regardless of businesses or individuals);
 - b. Interest payment made by employee to employer; and
 - c. Interest payment made by foreign payor to Malaysian taxpayers.
- iii. Timing for issuing self-billed e-Invoice for goods sold or services rendered by foreign suppliers **has been updated** as follows: –

No.	Types of transaction	Timing of issuance of self-billed e-Invoice
a.	Importation of goods	– Latest by month end following the month of obtaining customs clearance.
b.	Importation of services	– Latest by month end following the month upon the earlier of: – <ul style="list-style-type: none"> ▪ Payment made by the Malaysian purchaser*; OR ▪ Receipt of invoice from the foreign supplier*. <i>* Subject to prevailing rules applicable for imported taxable service.</i>

4. Currency exchange rate

- i. Supplier is required to provide currency exchange rate in the e-invoice if the e-Invoice is required to be converted into equivalent amount in RM.
- ii. Taxpayers may adopt their internal currency exchange rate for the self-billed e-invoice for importation of goods.

TAX PROFESSIONAL TEAM

Dato' Robert Teo

Head of Tax

T +603 2610 2886

E robertteo@rsmmalaysia.my

CORPORATE TAX COMPLIANCE

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

Lim Sok Juan

Associate Director

T +603 2610 2842

E limsj@rsmmalaysia.my

Nicole Chong

Director

T +603 2610 2830

E nicole.chong@rsmmalaysia.my

Soong Kim How

Associate Director

T +603 2610 2848

E soongkh@rsmmalaysia.my

TAX ADVISORY

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

Lee Pei Fern

Manager

T +603 2610 2995

E leepf@rsmmalaysia.my

INDIRECT TAX

Mayadevi Karpayah

Director

T +603 2610 2831

E mayadevi@rsmmalaysia.my

Kalvinder Singh

Senior Manager

T +603 2610 2863

E kalvinders@rsmmalaysia.my

TAX AUDIT AND INVESTIGATION

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

Rachel Low

Associate Director

T +603 2610 2988

E lowwl@rsmmalaysia.my

PERSONAL TAX

Mayadevi Karpayah

Director

T +603 2610 2831

E mayadevi@rsmmalaysia.my

Lynda Harun

Senior Manager

T +603 2610 2832

E lynda@rsmmalaysia.my

TRANSFER PRICING

Anston Cheah

Executive Director

T +603 2610 2829

E anston.cheah@rsmmalaysia.my

Bavahni Kumar

Assistant Manager

T +603 2610 2863

E bavahni.kumar@rsmmalaysia.my

RSM Tax Consultants (Malaysia) Sdn Bhd

5th Floor, Penthouse, Wisma RKT,
Block A, No.2 Jalan Raja Abdullah Off Jalan Sultan Ismail,
50300 Kuala Lumpur,
Malaysia

Johor Bahru Office

Suite 16-02, Level 16, Menara Landmark,
No. 12, Jalan Ngee Heng,
80000 Johor Bahru,
Malaysia

General Email askus@rsmmalaysia.my
Website www.rsmmalaysia.my

RSM Tax Consultants (Malaysia) Sdn Bhd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network.

Each member of the RSM network is an independent accounting and consulting firm, each of which practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction. The network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.