

THE POWER OF BEING UNDERSTOOD  
ASSURANCE | TAX | CONSULTING



*Henry*

One of the  
RSM team



Tax Update: E-Invoice  
February 2024

# GLOSSARY

Abbreviation / Acronym	Description
API	Application Programming Interface
DGIR	Director General of Inland Revenue
ERP	Enterprise Resource Planning
Guideline 2.1	E-Invoice Guideline (Version 2.1) dated 28 October 2023
Guideline 2.2	E-Invoice Guideline (Version 2.2) dated 9 February 2024
MIRB	Malaysia Inland Revenue Board
MITA	Malaysian Income Tax Act 1967
SDK	Software Development Kit
Specific Guideline 1.1	E-Invoice Specific Guideline (Version 1.1) dated 28 October 2023
Specific Guideline 2.0	E-Invoice Specific Guideline (Version 2.0) dated 9 February 2024
TIN	Tax Identification Number

## INTRODUCTION

The MIRB has released / published the following in relation to e-Invoice on 9 February 2024: –

- E-Invoice SDK\* (Currently in Beta version)
- Guideline 2.2\*\* to replace Guideline 2.1
- Specific Guideline 2.0\*\* to replace Specific Guideline 1.1

*\*The SDK is a collection of tools, libraries and resources providing a set of functionalities, API, and development guidelines to assist businesses to integrate their existing system (e.g. ERP system) to MIRB's MyInvois System via API.*

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

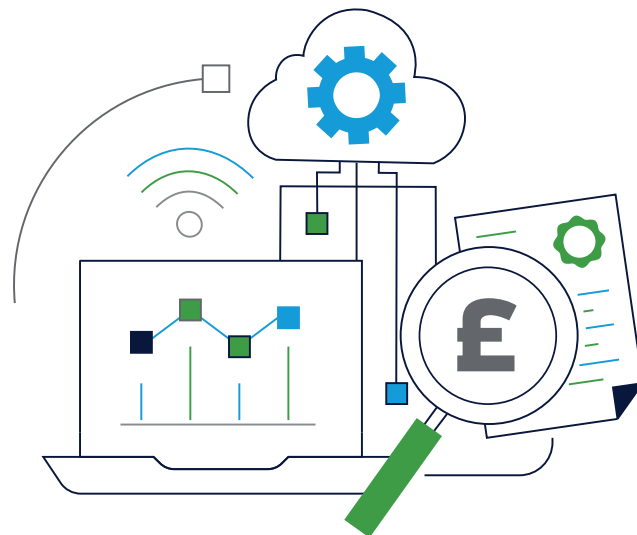
To recap, the mandatory e-Invoice implementation timeline will commence on 1 August 2024 (for taxpayers with annual turnover of more than RM100 million): –

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

Some of the key highlights (from Guideline 2.2 and Specific Guideline 2.0)

Areas	Key takeaways																					
1. Transactions with Government, State Government, other authorities	<p>i. Suppliers to input a general TIN of <b>EI00000000040</b> for transactions that involve the following persons (buyers): -</p> <ul style="list-style-type: none"> <li>▪ Government</li> <li>▪ State government and state authority</li> <li>▪ Government authority</li> <li>▪ Local authority</li> <li>▪ Statutory authority and statutory body</li> <li>▪ Exempt institutions that are not assigned with TIN</li> </ul>																					
2. List of required fields for e-Invoice	<p>i. List of required fields for e-Invoice <b>has been expanded</b> from 51 fields to 55 fields (consist of mandatory and optional fields).</p>																					
3. Self-billed e-Invoice	<p>i. Consolidation of e-Invoice is <b>not applicable</b> to self-billed e-Invoice.</p> <p>ii. Transactions that require self-billed e-Invoice <b>has been expanded</b> to include the following: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #009688; color: white;">No.</th> <th style="background-color: #009688; color: white;">Transactions</th> <th style="background-color: #009688; color: white;">Supplier</th> <th style="background-color: #009688; color: white;">Buyer (To assume the role of Supplier to issue self-billed e-Invoice)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">a.</td> <td>Payment / Credit to taxpayers recorded in a statement / bill issued on a periodic basis (e.g. rebate)</td> <td>Recipient of such payment / credit</td> <td>Taxpayer that makes the payment / credit</td> </tr> <tr> <td style="text-align: center;">b.</td> <td>Interest payment</td> <td>Recipient of such interest payment</td> <td>Taxpayer that makes the interest payment</td> </tr> </tbody> </table> <p>iii. Timing for issuing self-billed e-Invoice for goods sold or services rendered by foreign suppliers is as follows: -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #009688; color: white;">No.</th> <th style="background-color: #009688; color: white;">Types of transaction</th> <th style="background-color: #009688; color: white;">Timing of issuance of self-billed e-Invoice</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">a.</td> <td>Importation of goods</td> <td> <ul style="list-style-type: none"> <li>• Upon obtaining customs clearance</li> </ul> </td> </tr> <tr> <td style="text-align: center;">b.</td> <td>Importation of services</td> <td> <ul style="list-style-type: none"> <li>• The earlier of: -                             <ul style="list-style-type: none"> <li>▪ Payment made by the Malaysian purchaser; <u>OR</u></li> <li>▪ Receipt of invoice from the foreign supplier.</li> </ul> </li> </ul> </td> </tr> </tbody> </table>	No.	Transactions	Supplier	Buyer (To assume the role of Supplier to issue self-billed e-Invoice)	a.	Payment / Credit to taxpayers recorded in a statement / bill issued on a periodic basis (e.g. rebate)	Recipient of such payment / credit	Taxpayer that makes the payment / credit	b.	Interest payment	Recipient of such interest payment	Taxpayer that makes the interest payment	No.	Types of transaction	Timing of issuance of self-billed e-Invoice	a.	Importation of goods	<ul style="list-style-type: none"> <li>• Upon obtaining customs clearance</li> </ul>	b.	Importation of services	<ul style="list-style-type: none"> <li>• The earlier of: -                             <ul style="list-style-type: none"> <li>▪ Payment made by the Malaysian purchaser; <u>OR</u></li> <li>▪ Receipt of invoice from the foreign supplier.</li> </ul> </li> </ul>
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4. Foreign currency transactions	<p>i. Suppliers may opt to submit e-Invoices in the relevant foreign currency and : -</p> <ul style="list-style-type: none"> <li>▪ The applicable currency exchange rate, without the RM-equivalent;</li> <li>▪ The applicable RM-equivalent, without the currency exchange rate;</li> </ul> <p><u>OR</u></p> <ul style="list-style-type: none"> <li>▪ The applicable RM-equivalent along with the currency exchange rate.</li> </ul>
5. E-commerce industry	<p>i. Briefly, e-commerce platform providers are responsible to issue e-Invoice <b>at the purchaser's request</b>.</p> <p>ii. <b>Where purchasers do not require an e-Invoice</b>, e-commerce platform providers need to aggregate the transactions on a monthly basis and submit consolidated e-Invoice (except for circumstances that do not allow consolidated e-Invoice) to the MIRB within 7 calendar days after month end.</p>



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