



TaxSnaps

e-Invoicing and its impact on Taxpayers

In a recent [media release](#), the Inland Revenue Board Malaysia (“IRBM”) has informed that the E-Invoice Guideline Year 2023 has been uploaded in the IRBM’s official portal.

What is e-Invoice

e-Invoice is a digital representation of a transaction between a supplier and a buyer. It is expected to replace traditional paper or electronic documents such as invoices, credit notes and debit notes.

e-Invoice provides a platform for instant or near-instant validation and storage of transactions, covering –

- Business-to-Business (B2B)
- Business-to-Consumer (B2C)
- Business-to-Government (B2G)

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When is the implementation of e-Invoicing

The **mandatory** e-Invoicing implementation timeline is as follows –

Implementation date	Targeted Taxpayers
1 June 2024	Taxpayers with an annual turnover or revenue of more than RM100 million
1 January 2025	Taxpayers with an annual turnover or revenue of more than RM50 million and up to RM100 million
1 January 2026	Taxpayers with an annual turnover or revenue of more than RM25 million and up to RM50 million
1 January 2027	All taxpayers and certain non-business transactions

Annual turnover or Revenue

For the e-Invoicing implementation purposes, the annual turnover or revenue will be determined based on the following –

Taxpayers with audited financial statements	Based on annual turnover or revenue stated in the audited financial statements for financial year 2022
Taxpayers without audited financial statements	Based on annual revenue reported in the tax return for the year of assessment 2022
Taxpayers with change of accounting year end for financial year 2022	The turnover or revenue will be pro-rated to a 12-month period for purposes of determining the e-Invoice implementation date

Note:

- Taxpayers have option to voluntarily participate at an earlier date
- For new businesses or operations commencing from the year 2023 onwards, the e-Invoicing implementation date is 1 January 2027. The IRBM will provide further guidance on this in due course.

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Who are affected and types of transaction

All individuals and legal entities are required to comply with the e-Invoicing requirement, including association, branch, co-operative societies, limited liability partnership, partnership, representative office and regional office, trust body, unit trust, etc.

e-Invoicing is applicable to all taxpayers undertaking commercial activities in Malaysia, including businesses engaged in the provision of goods and services and certain non-business transactions between individuals. The IRBM will provide further guidance on e-Invoicing requirements for certain non-business transactions between individual taxpayers in due course.

e-Invoicing is applicable to both local and international transactions.

For certain B2C transactions

Suppliers will be allowed to issue a normal receipt or invoice (in accordance with the suppliers' current practices) for certain B2C transactions where e-Invoices are not required by the end consumers to support such transactions for tax purposes. The IRBM will provide further guidance on this in due course.

e-Invoicing Model

For taxpayers' transition to e-Invoicing, the IRBM has developed two (2) e-Invoice transmission mechanisms –

MyInvois Portal hosted by IRBM	<ul style="list-style-type: none">• Accessible to all taxpayers• Suitable for MSMEs• May not be efficient for large data volume• API connection is unavailable
Application Programming Interface (API)	<ul style="list-style-type: none">• Requires upfront investments in technology• Requires adjustment to existing systems• Ideal for large taxpayers with substantial transaction volume

Let us be of assistance to you

Do reach out to our team of tax experts for a discussion on this subject of e-Invoicing which is a mandatory implementation to your business.

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