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EY Tax Alert (Special Edition)

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Coverage of this Alert

- ▶ e-Invoice Guideline (Version 3.2)
- ▶ e-Invoice Specific Guideline (Version 3.0)

Important update: The Inland Revenue Board's updated guidelines on e-Invoices

On 30 July 2024, the Inland Revenue Board of Malaysia (IRBM) published the following documents on its website, which can be accessed via the following [link](#):

- ▶ e-Invoice Guideline (Version 3.2)
- ▶ e-Invoice Specific Guideline (Version 3.0)

These Guidelines are issued under Section 134A of the Income Tax Act 1967.

This Tax Alert covers some of the key changes made to the e-Invoice Guideline (Version 3.2) and e-Invoice Specific Guideline (Version 3.0). Our previous [EY Tax Alert Special Edition No. 4/2024](#), issued on 19 July 2024 discussed the key changes made to the e-Invoice Guideline (Version 3.0) and the e-Invoice Specific Guideline (Version 2.2), all which were issued on 28 June 2024.



e-Invoice Guideline (Version 3.2)

The updated e-Invoice Guideline (Version 3.2) replaces the earlier versions, e-Invoice Guideline (Version 3.0) issued on 28 June 2024 and e-Invoice Guideline (Version 3.1) issued on 19 July 2024. The only change made to the e-Invoice Guideline (Version 3.1) is in relation Appendix 2 - List of Mandatory and Optional Fields under Annexure to the e-Invoice. Incoterms, which was a mandatory field in e-Invoice Guideline (Version 3.1), is now an optional field.

The only change made to the e-Invoice Guideline (Version 3.2) is the addition of the list of persons exempted from issuing e-Invoice. Taxpayers with annual turnover or revenue of less than RM150,000 are now exempted from issuing e-Invoices, including the issuance of self-billed e-Invoices. The conditions and criteria related to this exemption will be included in the General Frequently Asked Questions, which have yet to be updated.

e-Invoice Specific Guideline (Version 3.0)

The updated e-Invoice Specific Guideline (Version 3.0) replaces the earlier e-Invoice Specific Guideline (Version 2.2). The key changes made to the e-Invoice Specific Guideline (Version 3.0) are outlined below:

1. Transactions with buyers

Paragraph 3.6.6

The IRBM has clarified that the timing of the issuance of a consolidated self-billed e-Invoice is similar to the timing of the issuance of consolidated e-Invoice, i.e. consolidated self-billed e-Invoice should be submitted to the IRBM on a monthly basis, within seven calendar days after the month's end).

2. e-Invoice treatment during interim relaxation period (new Section 16)

Further to the IRBM's media announcement on 26 July 2024, the IRBM has provided further clarification and information in relation to the treatment of e-Invoices during the interim relaxation period. The Government of Malaysia has agreed to provide taxpayers a six-month interim relaxation period from the date of mandatory implementation of each implementation phase to ensure a smooth transition and implementation of e-Invoicing in Malaysia, as follows:



No.	Targeted Taxpayer	Interim Relaxation Period
1.	Taxpayers with an annual turnover or revenue of more than RM100 million	1 August 2024 to 31 January 2025
2.	Taxpayers with an annual turnover or revenue of more than RM25 million and up to RM100 million	1 January 2025 to 30 June 2025
3.	All other taxpayers	1 July 2025 to 31 December 2025

During the interim relaxation period, taxpayers are allowed to adopt the following:

- (a) Issue a consolidated e-Invoice for all activities and transactions, including taxpayers undertaking certain activities or transactions (as listed under Section 3.7 of the e-Invoice Specific Guideline) where e-Invoice is required to be issued for each transaction with the Buyer [e.g. automotive (sale of any motor vehicle), aviation (sale of flight ticket, private charter), etc].
- (b) Issue a consolidated self-billed e-Invoice for all the circumstances as listed in Section 8.3 of the e-Invoice Specific Guideline, i.e. transactions where the Buyer is required to issue a self-billed e-Invoice.
- (c) Input any information or details in the "Description of Product or Service" field in the consolidated e-Invoice or consolidated self-billed e-Invoice. In other words, taxpayers are not restricted to including only the receipt, statement or bill reference numbers as required under Sections 3 and 4 of the e-Invoice Specific Guideline.
- (d) Not to issue individual e-Invoices or individual self-billed e-Invoices, even if the Buyer (in the case of e-Invoices) or supplier (in the case of self-billed e-Invoices) has made a request for an individual e-Invoice or individual self-billed e-Invoice to be issued, provided that the taxpayers comply with item (a) or (b) above, as the case may be.

In addition, the IRBM will not undertake any prosecution action under Section 120 of the Income Tax Act 1967 during the interim relaxation period for non-compliance with e-Invoice requirements, provided that the taxpayers comply with the requirements mentioned in Items (a) and (b) above.

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