



e-Invoicing

Tax highlights from your advisers



KPMG in Malaysia

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Commentary

The much-anticipated e-Invoicing Guideline (“Guideline”) has been issued by the Inland Revenue Board of Malaysia (“IRB”). The guideline seeks to address taxpayers’ curious queries on the what, why, when, where and how of the e-Invoicing adoption, the first of its kind nation-wide implementation by the tax authorities.

Following the recent kick-off of Special Voluntary Disclosure Program (“SVDP”) 2.0, the tax scene now brings focus on real-time reporting where the country is to see a shift of gears from traditional paper-based invoicing to electronic-based mechanism in the record of day-to-day business transactions.

With the e-Invoicing initiative facilitating for a mutually beneficial situation for both taxpayers and the authorities, taxpayers are urged to be mindful of the implementation timeline and look into the specific needs and business requirements where e-Invoicing transmission mechanisms are concerned.

The following pages set out some of the salient points relating to e-Invoicing.

Should you have any queries relating to e-Invoicing or any other tax matters, please contact your KPMG consultants or send us an email at info@kpmg.com.my.



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e-Invoicing

In line with the Twelfth Malaysia Plan, e-Invoicing has been introduced to strengthen the digital services infrastructure and digitalise tax administration enabling real-time reporting of transactions under Continuous Transaction Control (“CTC”) Model with businesses, consumers and the Government.

Salient Points

- 1** Electronic invoice (“e-Invoice”) is a file created in the format specified by IRB which can be readily processed e.g. XML and JSON instead of unstructured invoice data, images, scanned, paper, email invoices with PDF, Word, JPEG, or webpage format.
- 2** Benefits include improved business efficiency, increased tax compliance, unified invoicing process, reduced manual effort and human errors, facilitated tax return filing, costs minimised through automation and digitalization with industry standards.
- 3** Transaction types entail Business to Business (“B2B”), Business to Consumer (“B2C”) and Business to Government (“B2G”) which apply to all taxpayers undertaking commercial activities in Malaysia.
- 4** A key component of the e-Invoice is the Tax Identification Number (“TIN”), which should be pre-validated by the issuer.
- 5** Two e-Invoicing transmission mechanisms for selection by taxpayer based on specific needs and business requirements:-
 - MyInvois Portal or
 - Application Programming Interface (“API”)
- 6** Required data fields in an issued e-Invoice include but is not limited to address, business details, contact, invoice details, parties, party details, payment information, products/services and Unique ID Number. *Refer to Appendix 1 of the IRB’s e-Invoice Guideline available on the IRB’s website for the full list of required data fields.*

7 e-Invoicing Implementation Timeline



Taxpayers other than categorized mandatory who wish to be onboarded earlier in the e-Invoicing implementation may choose to participate voluntarily at an earlier date, regardless of annual turnover or revenue.

Overview of e-Invoicing

1

Issue e-Invoice

When sale or transaction is made, e-Invoice is created and shared to IRB via MyInvois Portal or API for validation

Validate e-Invoice

Real-time validation to standard and criteria is performed and thereafter supplier receives Unique Identifier Number from IRB via MyInvois Portal or API

2

3

Share e-Invoice

Supplier shares cleared e-Invoice with embedded QR code to buyer

Notify validation

Both supplier and buyer will be notified upon validation of e-Invoice via MyInvois Portal or API

4

Transaction records

Supplier and buyer may obtain summary of e-Invoice transactions via MyInvois Portal

Reject or cancel e-Invoice

Buyer may reject and seller may cancel e-Invoice within stipulated time period of 72 hours upon issuance of e-Invoice, with justifications

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