

# e-Invoicing

## Is Two Months the Answer?

The MADANI 2024 Budget announced by the Prime Minister, YAB Dato’ Seri Anwar Bin Ibrahim themed "Economic Reforms, Empowering the People" continues to showcase the Unity Government’s commitment in raising the living standards of the Rakyat in the current economy. Emphasising on the importance of addressing tax leakages, the Government has introduced a myriad of measures including e-Invoicing during the re-tabling of 2023 Budget.



e-Invoicing is an initiative introduced by the Government to enhance the efficiency of Malaysia’s tax administration by digitalization and allows for near real-time validation of transactions between a supplier and a buyer, which aims to replace the traditional paper or electronic documents such as invoices, credit notes and debit notes.

Albeit the encouraging response from the Rakyat, many have expressed their woes on the tight implementation timeline including a need for more time to assess the business’ readiness to adopt e-Invoicing as well as the resources and costs involved.

Acknowledging the Rakyat’s pleas on the e-Invoicing timeline, the Government had announced a two-month deferment on the implementation of e-Invoicing for taxpayers with annual turnover exceeding RM100 million from 1 June 2024 to 1 August 2024.

On 9 February 2024, the Inland Revenue Board (“IRB”) issued the

e-Invoice Guideline (Version 2.2) which replaced the e-Invoice Guideline (Version 2.1). Additionally, the latest e-Invoice Specific Guideline (Version 2.0) also outlined further guidance on various key aspects, including e-Invoice treatment for the e-Commerce industry, concessions to individual buyers, clarification on the consolidation of e-Invoices, among others.

Simultaneously, the highly anticipated Software Development Kit (“SDK”) was also released, featuring two main types of Application Programming Interface (“APIs”): Platform APIs and e-Invoice APIs, which are designed to facilitate interaction between taxpayer systems and the MyInvois System.

Notwithstanding the many dialogues held with the IRB and the issuance of the abovementioned guidelines and SDK, there remains hesitation and questions surrounding e-Invoicing. It would thus be worthwhile to consider some of the following feedback that may be anticipated:

- i. Further detailed guidance on the e-Invoicing requirements for the other specific industries (for example insurance, banking, and financial institutions) due to the uniqueness of the nature of the taxpayers’ businesses; and
- ii. Clarifications on the recently updated e-Invoice Guidelines as well as the full release of the SDK, currently in beta version.

Although a two-month deferment has been announced on the mandatory adoption of e-Invoicing for the first annual turnover threshold category, the deferment may prove too short due to the considerations of many factors. Hence, taxpayers would be wise to look into the implementation of e-Invoicing if they have not already done so, covering:

- i. Brainstorming and assessing the existing sales scenarios which may be subject to different e-Invoicing requirements;

- ii. Initiating communication on the collection of data for the e-Invoicing required fields;
- iii. Managing internal stakeholders on their changes in roles and responsibilities;
- iv. Identifying external stakeholders for compliance of e-Invoicing requirements, for example, determining the scenarios for self-billed e-Invoices;
- v. Consideration of the timelines and data fields required for the consolidated e-Invoice; and
- vi. Assessing the system changes to accommodate the 72-hour timeframe for cancellation / rejection of e-Invoice.



Reprinted with permission by KPMG Tax Services Sdn. Bhd. The views expressed herein are those of the author and do not necessarily represent the views and opinions of KPMG in Malaysia.

**KPMG Tax Services Sdn. Bhd.**  
KPMG is a global organisation of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited (“KPMG International”) operate and provide professional services. “KPMG” is used to refer to individual member firms within the KPMG organisation or to one or more member firms collectively.

KPMG firms operate in 143 countries and territories with more than 273,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities.

KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

The history of KPMG in Malaysia can be traced back to 1928. KPMG Tax Services Sdn. Bhd. is a company incorporated under Malaysian law and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited.

For more detail about our structure, please visit [www.kpmg.com/governance](http://www.kpmg.com/governance)