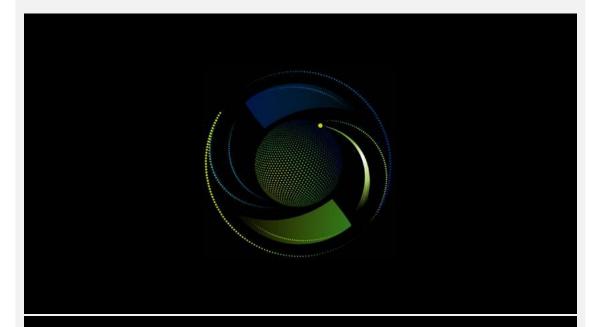
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Malaysia | Tax | 2 November 2023



Tax Espresso - Special Alert

IRBM e-Invoice Guideline (Version 2.1), e-Invoice Specific Guideline (Version 1.1), and e-Invoice Catalogue

Introduction

Following the issuance of the electronic invoices (e-Invoice) Guideline Version 2.0 and e-Invoice Specific Guideline Version 1.0 by the Inland Revenue Board of Malaysia (IRBM) on 29 September 2023 (reported in <u>Deloitte Malaysia Tax Espresso – Special Alert on 3 October 2023</u>), the IRBM has issued an update to the earlier guidelines with the release of <u>e-Invoice Guideline (Version 2.1)</u> and <u>e-Invoice Specific Guideline (Version 1.1)</u>, both dated 28 October 2023. Additionally, as at 12 October 2023, an <u>e-Invoice Catalogue</u> has been published by the IRBM.

In this Special Alert, we highlight the key changes in the e-Invoice Guideline (Version 2.1) and e-Invoice Specific Guideline (Version 1.1).

Key changes to the e-Invoice Guideline (Version 2.0 to Version 2.1)

This e-Invoice Guideline (Version 2.1) dated 28 October 2023 replaces the e-Invoice Guideline (Version 2.0) issued on 29 September 2023. Changes made to Version 2.0 of the Guideline are summarised in Pages 3 and 4 of the e-Invoice Guideline (Version 2.1).

We highlight the key changes in the table below:

| Paragraph in e- Invoice Guideline (Version 2.1) | Key changes (Indicated in Bold) |
|---|--|
| 1.3 | Removal of sentence e-Invoice applies to all taxpayers undertaking commercial activities in Malaysia. [Removal of the following sentence] |
| | "This includes businesses engaged in the provision of goods and services and certain non-business transactions between individuals." |

1.5 <u>Update to implementation timeline</u>

| Targeted Taxpayers | Implementation Date |
|------------------------|---------------------|
| Taxpayers with an | 1 August 2024 |
| annual turnover or | |
| revenue of more than | |
| RM100 million | |
| Taxpayers with an | 1 January 2025 |
| annual turnover or | |
| revenue of more than | |
| RM25 million and up to | |
| RM100 million | |
| | |

[Version 2.1]

For new businesses or operations commencing from the year 2023 onwards, the e-Invoice implementation date is **1 July 2025**.

Appendix 1 (Item 21) Updated the 'Description" column

IRBM Unique Identifier Number [instead of "Reference number" stated in Version 2.0] of the original invoice/document that is affected/ adjusted. Applicable where a debit note, credit note, or refund note e-Invoice is issued.

Appendix 1 (Item 22) <u>Updated the 'Description" column</u>

Date and time of issuance of the e-Invoice

*Note that the date **and time** must be the current date **and time**.

Appendix 1 (Item 24) Updated the 'Field Name" column

Issuer's [instead of "Supplier's" stated in Version 2.0] Digital Signature

Appendix 1 (Item 26) <u>Update to the 'Description" column</u>

Rate at which non-Malaysian currency will be converted into Malaysian Ringgit.

[Removal of the following sentences]

"Applicable where the billing amount is in foreign currency.

*Note: Specific guidance on currency exchange rate will be issued at a later time."

Appendix 1 (Item 33) Update to the 'Description" column

["withholding tax" was removed from the listed examples, which was mentioned in Version 2.0]

Type of taxes that will be applicable (e.g., sales tax, service tax, tourism tax, etc.)

Key changes to the e-Invoice Specific Guideline (Version 1.0 to Version 1.1)

This e-Invoice Specific Guideline (Version 1.1) dated 28 October 2023 replaces the e-Invoice Specific Guideline (Version 1.0) issued on 29 September 2023. Changes made to Version 1.0 of the Specific Guideline are summarised in Pages 5 and 6 of the e-Invoice Specific Guideline (Version 1.1).

| We highlight the key changes in the table below: |
|--|
|--|

| Paragraph in e-Invoice Specific Guideline (Version 1.1) | Key changes (Indicated in Bold) |
|---|--|
| 10.4.6 | New Kindly note that for the purposes of self-billed e- Invoice, where service tax on imported taxable service is applicable, the taxpayer is required to include the service tax amount in the said self- billed e-Invoice. |
| 11.2.3 | Updated the terminology The process of issuing an e-Invoice by the Profit/Dividend Recipient [instead of "Foreign Distributor" stated in Version 1.0] shall follow the detailed e-Invoice workflow as discussed in Section 2.3 (e-Invoice model via MyInvois Portal) and Section 2.4 (e-Invoice model via API) of the e-Invoice Guideline. |
| 12.4 | Updated the timing of issuance The Income Recipient should issue the e-Invoice latest by the end of the month following the month of receipt of the said foreign income. [The timeline stated in Version 1.0 was within the same month the said income is received in Malaysia.] |
| Appendix 5 (Item 18) | Updated the 'Validation Criteria & Example' column Note: Final listing of e-Invoice version to be shared in the Software Development Kit (SDK) document [instead of "data catalogue document" stated in Version 1.0]. |
| Appendix 5 (Item 22) | Updated the 'Validation Criteria & Example' column Completion based on the date and time of issuing e-Invoice [instead of "current sale or transaction date and time" stated in Version 1.0] (e.g., 31/10/2023 14:30:59). |
| Appendix 5 (Item 24) | Updated the 'Field Name' column Issuer's [instead of "Supplier's" stated in Version 1.0] Digital Signature |

Get in touch

Interested to find out more? Reach out and speak to our Deloitte Leaders.

| Name | E-mail | Contact number |
|-----------------------------|-------------------------|----------------|
| Senthuran Elalingam | selalingam@deloitte.com | +603 7610 8879 |
| Malaysia e-Invoicing Leader | | |
| Malaysia Tax Technology | | |
| Consulting Leader | | |
| Haryati Hamzah | hhamzah@deloitte.com | +65 6800 2069 |
| Southeast Asia e-Invoicing | | |
| Lead | | |
| Tax Technology Consulting | | |
| Partner | | |

Industry Leads

| Name | E-mail | Contact number |
|-----------------------------|-------------------------|----------------|
| Mohd Faruk Mohd Fariz | mmohdfaruk@deloitte.com | +603 7610 8153 |
| Government and Public | | |
| Sector Tax Leader | | |
| Mark Chan | marchan@deloitte.com | +603 7610 8966 |
| Financial Services Industry | | |
| Tax Leader | | |
| Toh Hong Peir | htoh@deloitte.com | +603 7610 8808 |
| Energy and Chemicals | | |
| Tax Leader | | |
| Tham Lih Jiun | ljtham@deloitte.com | +603 7610 8878 |
| Real Estate Tax Leader | | |
| Thin Siew Chi | sthin@deloitte.com | +603 7610 8878 |
| Technology, Media & | | |
| Telecommunications | | |
| Tax Leader | | |

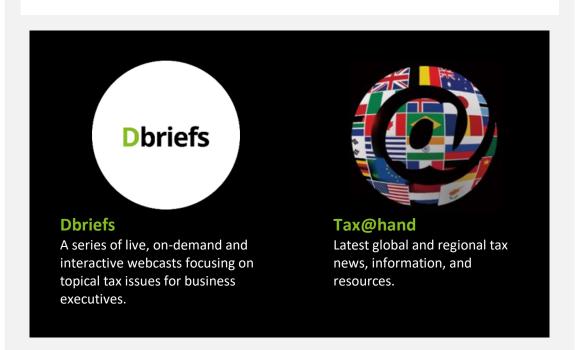
Other specialist groups

| Name | E-mail | Contact number |
|-------------------|----------------------|----------------|
| Tham Lih Jiun | ljtham@deloitte.com | +603 7610 8875 |
| Chinese Services | | |
| Group Leader | | |
| Mark Chan | marchan@deloitte.com | +603 7610 8966 |
| Japanese Services | | |
| Group Leader | | |
| Chee Pei Pei | pechee@deloitte.com | +603 7610 8862 |
| Korean Services | | |

Group Leader

Branches

| Branches/ Name | Email | Contact number |
|-------------------------|----------------------|----------------|
| · | Lillali | Contact Humber |
| Penang | | |
| Ng Lan Kheng | lkng@deloitte.com | +604 218 9268 |
| Tan Wei Chuan | wctan@deloitte.com | +604 218 9888 |
| Ipoh | | |
| Eugene Chow Jan Liang | euchow@deloitte.com | +605 254 0288 |
| Melaka | | |
| Julie Tan | jultan@deloitte.com | +603 7610 8847 |
| Johor Bahru | | |
| Thean Szu Ping | spthean@deloitte.com | +607 268 0988 |
| Kuching & Kota Kinabalu | | |
| Tham Lih Jiun | ljtham@deloitte.com | +603 7610 8875 |



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