



Tax Espresso – Special Alert

IRBM e-Invoice Guideline (Version 4.1) and e-Invoice Specific Guideline (Version 4.0)

Introduction

Following the issuance of the electronic invoices (e-Invoice) Guideline Version 4.0 and e-Invoice Specific Guideline Version 3.1 by the Inland Revenue Board of Malaysia (IRBM) on 4 October 2024, the IRBM has issued an update to the earlier guidelines with the release of [e-Invoice Guideline Version 4.1](#) and [e-Invoice Specific Guideline Version 4.0](#), both dated 28 January 2025.

In this Special Alert, we highlight the key changes in the e-Invoice Guideline (Version 4.1) and e-Invoice Specific Guideline (Version 4.0).

Key changes to the e-Invoice Guideline (Version 4.0 to Version 4.1)

The e-Invoice Guideline (Version 4.1) dated 28 January 2025 has replaced the e-Invoice Guideline (Version 4.0) issued on 4 October 2024. Changes made to Version 4.0 of the Guideline have been summarised on Page 3 of the e-Invoice Guideline (Version 4.1).

We have highlighted the key changes in the table below:

Paragraph in e-Invoice Guideline (Version 4.1)	Key changes (as indicated in bold)
Appendix 3	<u>Addition of a list of international organisations that are exempted from implementing e-Invoicing</u> <ol style="list-style-type: none">1. Alliance for Financial Inclusion (AFI)2. Asia-Pacific Broadcasting Union (ABU)3. Asia-Pacific Institute for Broadcasting Development (AIBD)4. Asian Development Bank (ADB)<ol style="list-style-type: none">i. Credit Guarantee & Investment Facility (CGIF)5. Asian International Arbitration Centre in Kuala Lumpur (AIAC) – formerly known as Kuala Lumpur Regional Centre for Arbitration (KLRCA)6. Asian Football Confederation (AFC)7. ASEAN Football Federation (AFF)8. Association of Natural Rubber Producing Countries (ANRPC)9. Association of Southeast Asian Nations (ASEAN)10. Badminton World Federation (BWF)11. Centre for Agriculture and Bioscience International (CABI)12. Centre for Indonesia–Malaysia–Thailand (CIMT)13. Intergovernmental Organization for Marketing Information and Technical Advisory Services for Fishery Products in the Asia and Pacific Region (INFOFISH)14. International Centre for Living Aquatic Resources Management (ICLARM–WorldFish)15. International Committee of the Red Cross (ICRC)16. International Federation of Red Cross and Red Crescent Societies (IFRC)17. International Islamic Liquidity Management Corporation (IILM)18. International Labour Organization (ILO)19. International Planned Parenthood Federation (IPPF)

20. International Plant Genetic Resources Institute (IPGRI)
21. International Tropical Fruits Network (TFNet)
22. Islamic Corporation for the Development of the Private Sector (ICD)
23. Islamic Development Bank (IsDB)
24. Islamic Financial Services Board (IFSB)
25. Japan International Cooperation Agency (JICA)
26. Malaysia–Thailand Joint Authority (MTJA)
27. Malaysian–American Commission on Educational Exchange (MACEE)
28. The Asian Foundation (TAF)
29. Regional Centre for Research and Training in Tropical Diseases and Nutrition (RTTD)
30. Southeast Asian Ministers of Education Organization Regional Centre for Special Education (SEAMEO SEN)
31. United Nations Children’s Fund (UNICEF)
32. United Nations Development Programme (UNDP)
33. United Nations Development Programme Global Shared Services Centre (UNDP GSSC)
34. United Nations Educational, Scientific and Cultural Organization (UNESCO)
35. United Nations Population Fund (UNFPA)
36. United Nations University – International Institute for Global Health (UNU–IIGH)
37. World Bank Group (WBG)
 - i. International Bank for Reconstruction and Development (IBRD)
 - ii. International Development Association (IDA)
 - iii. International Finance Corporation (IFC)
 - iv. Multilateral Investment Guarantee Agency (MIGA)
 - v. International Centre for Settlement of Investment Disputes (ICSID)
38. World Food Programme (WFP)
39. World Health Organization (WHO)
40. World Health Organization Global Service Centre (WHO GSC)
41. World Organization of the Scout Movement (WOSM)

Key changes to the e-Invoice Specific Guideline (Version 3.1 to Version 4.0)

The e-Invoice Specific Guideline (Version 4.0) dated 28 January 2025 has replaced the e-Invoice Specific Guideline (Version 3.1) issued on 4 October 2024. Changes made to Version 3.1 of the Specific Guideline have been summarized on Page 6 of the e-Invoice Specific Guideline (Version 4.0).

We have highlighted the key changes in the table below:

Paragraph in e-Invoice Specific Guideline (Version 4.0)	Key changes (as indicated in bold) and observations
3.6.5 (c) 3.6.5 (d)	<p><u>Additional self-billed circumstances where consolidation is allowed:</u></p> <p>Kindly note that consolidation does not apply to self-billed e-Invoices, except for the following circumstances:</p> <ul style="list-style-type: none">(a) transactions with individuals (who are not conducting a business);(b) interest payment to public at large regardless businesses or individuals);(c) claim, compensation or benefit payments from the insurance business of an insurer to individuals (who are not conducting a business), government, government authority, state government or state authority; and(d) self-billed circumstances involving taxpayers' overseas branches or offices. <p>Deloitte's observations</p> <p>A significant update has been introduced for insurance players as consolidation of e-Invoices is now permitted when the policyholder is a Government, Government Authority, State Government, or State Authority.</p> <p>However, certain areas remain unclear, particularly regarding the scope of "taxpayers' overseas branches or offices". It is uncertain whether this refers strictly to branch structures or if it also encompasses foreign legal entities. This distinction is critical, as it may create challenges in differentiating between offshore branches / representative offices and subsidiaries / related companies.</p> <p>Additionally, further clarification is needed on whether services provided by an offshore headquarters to a Malaysian branch fall under this update. We will continue to monitor developments and will provide further insights as more information becomes available.</p>

8.3 (g) (iv)

8.3 (g) (v)

8.3 (i)

Table 8.1

Additional transactions that require self-billed e-Invoices to be issued

For e-Invoicing purposes, Buyer shall issue self-billed e-Invoices for the following transactions:

- a) Payment to agents, dealers, distributors, etc. (refer to Section 9 of this e-Invoice Specific Guideline for further details)
- b) Goods sold or services rendered by foreign suppliers (refer to Section 10.4 of this e-Invoice Specific Guideline for further details)
- c) Profit distribution (e.g., dividend distribution) (refer to Section 11 of this e-Invoice Specific Guideline for further details)
- d) Electronic commerce (“e-commerce”) transactions (refer to Section 14 of this e-Invoice Specific Guideline for further details)
- e) Payout to all betting and gaming winners
- f) Transactions with individuals (who are not conducting a business) (applicable only if the other self-billed circumstances are not applicable)
- g) Interest payment, except:
 - i. Businesses (e.g., financial institutions, etc.) that charge interest to public at large (regardless of whether they are businesses or individuals);
 - ii. Interest payment made by employee to employer;
 - iii. Interest payment made by foreign payor to Malaysian taxpayers;
 - iv. **Interest payment to a related company (as defined in the Income Tax Act 1967) incorporated in Malaysia who provides centralised treasury services to its related companies*; and**
 - v. **Late payment interest or charges imposed by Malaysian taxpayers.**
Note that the Supplier is required to issue an e-Invoice for the exceptions mentioned above.
- h) Claim, compensation or benefit payments from the insurance business of an insurer
- i) **Payment in relation to capital reduction, share / capital / unit redemption, share buyback, return of capital or liquidation proceeds.**
Note that the Buyer is required to issue a self-billed e-Invoice in accordance with the following timing of issuance:**

If there is a written agreement	<ul style="list-style-type: none"> • If no approval is required from the government or state government, the date of issuance will be the date of the agreement • If approval is required from the government or state government, the date of issuance will be the date of such approval, or if the approval is conditional, the date of issuance will be the date in which the last condition is satisfied
If there is no written agreement	<ul style="list-style-type: none"> • Date of completion

* As taxpayers may require additional time to configure their systems, the deadline for taxpayers to implement this requirement is 1 July 2025.

** Please note that the timing of issuance is only applicable for the transaction stated under Section 8.3 (i) of this e-Invoice Specific Guideline.

Table 8.1: Parties involved in a self-billed e-Invoice

No	Transaction	Supplier	Buyer (assumes the role of Supplier to issue self-billed e-Invoice)
1	Payment to agents, dealers, distributors, etc	Agents, dealers, distributors, etc.	Taxpayer that makes the payment
2	Goods sold or services rendered by foreign suppliers	Foreign Seller	Malaysian Purchaser
3	Profit distribution (e.g., dividend distribution)	Recipient of the distribution	Taxpayer that makes the distribution
4	e-Commerce	Merchant, service providers	e-Commerce / Intermediary platform

		(e.g., driver, rider)	
5	Pay-out to all betting and gaming winners	Recipient of the pay-out	Licensed betting and gaming provider
6	Transactions with individuals who are not conducting a business	Individual not conducting a business	Person transacting with the individual not conducting a business
7	Interest payment	Recipient of interest payment	Taxpayer that makes the interest payment
8	Claim, compensation or benefit payments from the insurance business of an insurer	Policyholder / Beneficiary	Insurer
9	Payment in relation to capital reduction, share / capital / unit redemption, share buyback, return of capital or liquidation proceeds	Investor	Investee

Deloitte's observations

The updates in 8.3 (g) (iv) and 8.3 (g) (v) provide some clarity for businesses on treatment of interest income, specifically those providing centralised treasury services and charging late payment interest.

- 8.3 (g) (iv) now allows companies providing centralised treasury services to its related companies to issue e-Invoices, eliminating the need for the payer to generate a self-billed e-Invoice. This streamlines the invoicing process and reduces administrative burdens. However, it should be noted that "centralised treasury services" is not defined. We recommend that businesses refer to the common interpretation of this word, but if there is any uncertainty, business should seek clarification from the IRBM on your specific circumstances.

	<ul style="list-style-type: none"> 8.3 (g) (v) clarifies that late payment interest charges will follow the biller instead of the payer, ensuring consistency in invoicing responsibilities.
Example 16	Rephrase of Example 16 to indicate the treatment for interest from an entity not providing centralised treasury services.
Example 17	Additional example to indicate the treatment for interest from an entity providing centralised treasury services.
Example 18	Additional example to indicate the treatment for late payment interest or charges imposed.
Example 19	Additional example to indicate the treatment for interest payment made by employee to employer.
Example 20	Additional example to indicate the treatment for interest payment to a non-business (i.e., estate administrator).

Addition and updates to the Frequently Asked Questions (FAQs) and Industry-Specific FAQs

We would like to highlight the FAQs which were recently updated or added, published on 28 January 2025:

- 1) e-Invoice General FAQs ([lhdnm-e-invoice-general-fags.pdf](#));
- 2) e-Invoice Specific FAQs for Insurance and Takaful Industry ([specific-faq-insurance-and-takaful.pdf](#)); and
- 3) e-Invoice Specific FAQs for Financial Services, Stockbroking and Unit Trust ([specific-faq-financial-services-stockbroking-and-unit-trust.pdf](#)).

Additionally, we would also like to highlight the key changes in the General FAQs in the table below:

Paragraph in General FAQs (Version 4.0)	Key changes (as indicated in bold) and observations
8	Special Purpose Vehicle (SPV) under Section 60I of the Income Tax Act 1967 are subject to implement e-Invoice.
11	Clarification on the implementation deadline for companies commencing business in 2023 onwards and Micro, Small, and Medium Enterprises (MSME).

55	Clarification that there are no exceptions to the self-billed e-Invoice rules involving agents, dealers, and distributors regardless of whether the agents, dealers, and distributors are individuals or companies.
66	Clarification that import duty and / or sales tax amounts paid to Customs for imports are not required to be indicated in self-billed e-Invoice.

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