



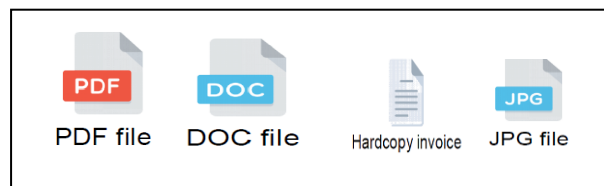
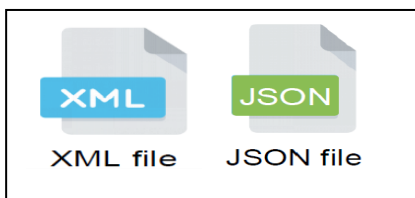
## EMBRACING THE DIGITAL SHIFT: MALAYSIA ADVANCES TOWARDS e-INVOICING

In the realm of taxation and business, Malaysia is taking a significant step into the future with the introduction of e-Invoicing. This digital evolution is a move away from the traditional methods of sending invoices and is not to be confused with simply emailing invoice documents.

### Unveiling the Concept of e-Invoicing

a) *What is an e-invoice?*

e-Invoicing is a digital representation of a transaction between a supplier and buyer and enables businesses to capture these transactional financial information in real time. The Inland Revenue Board (“IRB”) describes an e-Invoice as a substitute for paper-based invoices (e.g.scanned) and other transaction documents which are created in the following format specified by the IRB.



b) *What are the types of e-invoices to be issued?*

Type of e-Invoice	Details
Invoice	Records a transaction between a buyer and supplier
Credit note	Reduces the value of the original e-Invoice, to correct errors and account for discounts of returns
Debit note	Indicates additional charges on a previously issued invoice
Refund note	Issued by supplier to return monies to the buyer

c) *What transactions requires an e-invoice to be issued?*

Transactions	Details
Proof of income	Record a sale and other transactions to recognise the taxpayer's income.
Proof of expense	Record of purchases and other expenses, including discounts and returns to correct or subtract from an income receipt.

d) *Who is required to issue an e-invoice?*

E-Invoice is applicable to all taxpayers undertaking commercial activities in Malaysia.

Transaction types	Entity types
Business to business (B2B) Business to customer (B2C) Business to government (B2G)	All individual and legal entities, including ✓ Association                                ✓ Partnership ✓ Body of person                            ✓ Property trust fund ✓ Branch                                        ✓ Property trust ✓ Business trust                               ✓ Real estate investment trust ✓ Co-operative society                    ✓ Representative office and regional office  ✓ Corporation                                ✓ Trust body ✓ Limited Liability Partnership        ✓ Unit trust

e) *What are the important dates to take note of?*

Date	Details
21.7.2023 – 10.5.2024	Issuance of e-invoice guidelines (versions 1.0 to 2.3) Issuance of e-Invoice specific guidelines (versions 1.0 to 2.1) Software Development Kit (version 1.0 and updates of version 1.0)
<b>NOW</b>	<b>Businesses must start assessing their readiness for e-Invoice</b>
1.8.2024	e-Invoice commencement date for taxpayers with more than RM100 million annual revenue
1.1.2025	e-Invoice commencement date for taxpayers with more than RM25 million and up to RM100 million annual revenue
1.7.2025	All taxpayers are required to be 100% e-Invoice compliant