

Release of e-Invoice Rules, Updated e-Invoice Guidelines and General FAQs : 1 October 2024 and 4 October 2024

The e-Invoice Rules [[Income Tax \(Issuance Of Electronic Invoice\) Rules 2024](#)] was released by the Ministry of Finance (MOF) on 1 October 2024 while both of the e-Invoice Guidelines ([e-Invoice Guideline Version 4.0](#) and [e-Invoice Specific Guideline Version 3.1](#)) and [e-Invoice General Frequently Asked Questions \(FAQs\)](#) were updated by the Inland Revenue Board of Malaysia (IRBM) on 4 October 2024.

A) Salient points in the e-Invoice Rules (came into operation on 1 October 2024) and key clarifications to the e-Invoice Guideline Version 4.0 and e-Invoice Specific Guideline Version 3.1 (updated 4 October 2024).

The e-Invoice Rules prescribes that:

- Taxpayers with annual sales of more than RM100 million is required to issue e-Invoice from 1 October 2024 (instead of 1 August 2024 stated in the IRBM's e-Invoice Guideline Version 3.2)
- The following persons are exempted from issuing e-Invoice:
 - A foreign diplomatic office;
 - An individual who does not carry on business
 - A statutory body, statutory authority or local authority in relation to—
 - i. Collection of payment, fee, charge, statutory levy, summon, compound and penalty in carrying out its functions under any written law; and
 - ii. transaction of any goods sold or service performed before 1 July 2025; and
- An international organisation for transaction of any goods sold or service performed before 1 July 2025



The e-Invoice Guideline Version 4.0 and e-Invoice Specific Guideline Version 3.1 (updated 4 October 2024) further clarify that:

- The above-mentioned persons are not required to issue an e-Invoice (including self-billed e-Invoice). For tax purposes, the receipts / any existing documents issued by the above-mentioned persons would be used as proof of expense.
- For transactions with the foreign diplomatic office, Suppliers are allowed to replace the Buyer's details with similar information required for the issuance of consolidated e-invoice as stated in Table 3.5 of the e-Invoice Specific Guideline 3.1.
- The list has excluded the following persons which were previously included in IRBM's e-Invoice Guideline Version 3.2:
 - Former / existing Ruler and Ruling Chief and their consorts
 - Government
 - State government and state authority
 - Government authority
 - Facilities provided by the above government, authority or body
 - Consular offices and diplomatic officers, consular officers and consular employees

B) Key clarifications to the e-Invoice General FAQs (updated 4 October 2024)

The e-Invoice General FAQs have been updated to address the following key areas:

- While the e-Invoice Rules prescribe that taxpayers with annual sales of more than RM100 million is required to issue e-Invoice from 1 October 2024, the IRBM clarifies the following:
 - The mandatory implementation date remains as 1 August 2024 and any penalty for non-compliance will be imposed starting from 1 October 2024; and
 - Commencement of the 6-month interim relaxation period remains as 1 August 2024 for such taxpayers;



- The timing and details of self-billed e-Invoice for import of goods and/or e-Invoice for the on-selling of goods (where applicable):
 - Goods imported into Malaysia via multiple shipments but purchased under one foreign supplier's invoice, covering foreign supplier's invoice issued before customs clearance date of the first shipment, after customs clearance date of the first shipment but before the final shipment, after customs clearance date of the final shipment
 - Purchase of goods from a foreign supplier and delivered from a bonded warehouse / Free Zone to a Malaysian buyer located in a Principal Customs Area (PCA)
 - Purchase of goods from a foreign supplier by a Malaysian buyer located in a bonded warehouse who on-sells to another Malaysian buyer located in a PCA
 - Purchase of goods from a foreign supplier for goods stored in a bonded warehouse / Free Zone by a Malaysian buyer in the bonded warehouse / Free Zone who on-sells to another Malaysian buyer located in a PCA
 - Purchase of goods from a foreign supplier by a Malaysian buyer who instructs goods to be directly delivered to the end Malaysian buyer
 - Purchase of goods from a Malaysian supplier who instructs goods sourced from a foreign supplier to be directly delivered to the end Malaysian buyer
 - Purchase of goods from a foreign supplier who requested goods to be directly delivered from their Malaysian supplier (located in a bonded warehouse / Free Zone) to a Malaysian buyer
- Issuance of e-Invoice for exportation of goods to foreign buyers may follow current invoicing arrangement
- Details of self-billed e-Invoice for goods purchased under Delivered Duty Paid ("DDP") incoterm
- Details / Conditions on the exemption from issuing e-Invoice by taxpayers / Micro Small Medium Enterprises ("MSMEs") with annual revenue below RM150,000:
 - The exemption applies to all categories of taxpayers with annual revenue below RM150,000. The exemption does not apply to the following taxpayers:
 - ⇒ Taxpayer with non-individual shareholder(s) (or equivalent) with annual revenue exceeding RM 150,000; or
 - ⇒ Taxpayer is a subsidiary of a holding company with annual revenue exceeding RM150,000; or
 - ⇒ Taxpayer has a related company / joint venture with annual revenue exceeding RM150,000.
 - Taxpayer is required to implement e-Invoice on 1 January of the second immediate year following the year which exceeds the exemption threshold. Once the taxpayer exceeds the exemption threshold, no exemption will be granted. The taxpayer is required to continue issuing e-Invoice indefinitely after its e-Invoice implementation despite the annual revenue is lower than the exemption threshold.
 - For sole proprietorship with multiple businesses, the taxpayer is required to combine annual revenue from all businesses in determining whether the taxpayer exceeds the exemption threshold.



- Taxpayers exempted from issuance of e-Invoice are not required to issue consolidated e-Invoice and self-billed e-Invoice
- Taxpayers with annual turnover below RM150,000 who sells goods on a local e-commerce platform, are required to provide details to the e-commerce platform for issuance of self-billed e-Invoice by the e-commerce platform providers
- Issuance of e-Invoice by taxpayers for sales conducted through physical store and issuance of e-Invoice / self-billed e-Invoices by e-commerce platform for sales conducted through e-commerce platform
- Self-billed e-Invoice is not required for import of goods where custom clearance was obtained and import of services where the payment was made or invoice was received by the Malaysian buyer prior to the mandatory implementation date
- Consolidated self-billed e-Invoice for import of goods and services must be issued within 7 days after the required timing of individual self-billed e-Invoice for import of goods and services, respectively

We would like to highlight that the e-Invoice Rules, e-Invoice Guidelines and General FAQs may be subject to changes. For further details, please click on the links above or please contact your respective Grant Thornton tax adviser should you require further guidance.

Contact us to discuss how we can help with e-Invoicing



Chow Chee Yen
Senior Executive Director
T +603 2692 4022
E cheeyen.chow@my.gt.com



Alan Chung
Senior Executive Director
T +603 2692 4022
E alan.chung@my.gt.com