Updated e-Invoice Guidelines and General FAQs : 28 January 2025

Both of the e-Invoice Guidelines (e-Invoice Guideline Version 4.1 and e-Invoice Specific Guideline Version 4.0), e-Invoice General Frequently Asked Questions (FAQs) and Industry Specific FAQs for (i) Insurance and Takaful and (ii) Financial Services, Stockbroking and Unit Trust were updated by the Inland Revenue Board of Malaysia (IRBM) on 28 January 2025.

A) Salient changes/clarifications to the e-Invoice Guideline Version 4.1 (updated 28 January 2025)

- The list of international organisations who are exempted from issuing e-Invoice for transaction of any goods sold or service performed before 1 July 2025 are provided in Appendix 3 of the guideline.

B) Salient changes/clarifications to the e-Invoice Specific Guideline Version 4.0 (updated 28 January 2025)

- Consolidated self-billed e-Invoice is now allowed for these new circumstances in blue:
  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
  d) self-billed circumstances involving taxpayers' overseas branches or offices

- Out of the nine circumstances (previously eight), the Buyer (i.e. investee) is required to issue self-billed e-Invoice to the Supplier (i.e. investor) for this new circumstance.
  - Payment by investee to investor in relation to capital reduction, share / capital / unit redemption, share buyback, return of capital or liquidation proceeds.
    - **If there is a written agreement**
      a. If approval is not required from the Malaysia Government or Malaysia state government, the self-billed e-Invoice issuance date shall be the date of agreement.
      b. If approval is required from the Malaysia Government or Malaysia state government, the self-billed e-Invoice issuance date shall be the date of approval. If the said approval is conditional, the issuance date shall be the date of satisfying the last condition.
    - **If there is no written agreement:** The self-billed e-Invoice issuance date shall be the date of completion

B) Salient changes/clarifications to the e-Invoice Specific Guideline Version 4.0 (updated 28 January 2025)

- There are five exceptions (previously three) in which the interest payor is not required to issue a self-billed e-Invoice to the interest recipient for interest payment (new exceptions in blue):
  a) Businesses (e.g. financial institutions, etc.) that charge interest to public at large (regardless businesses or individuals);
  b) Interest payment made by employee to employer; and
  c) Interest payment made by foreign payor to Malaysian taxpayers.
  d) 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 (Note: Considering that taxpayers may require additional time to configure their systems, the IRBM provides concession to taxpayers to implement this requirement latest by 1 July 2025.); and
  e) Late payment interest or charges imposed by Malaysian taxpayers.

  Note: The Supplier i.e. interest recipient is required to issue e-invoice for the exceptions mentioned above.

C) Key changes/clarifications to the e-Invoice General FAQs (updated 28 January 2025)

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

- A Special Purpose Vehicle (SPV) solely for the issuance of sukuk under Section 60I of Income Tax Act 1967 is required to implement e-Invoice and obtain its own tax identification number (TIN) to meet its e-Invoice obligations.
- For a business that commences operations in 2023 onwards, the mandatory e-invoice implementation dates are as follows:
  - Business **with non-individual shareholder(s) (or equivalent) / is a subsidiary of a holding company / has related company or joint venture with annual turnover or revenue exceeding RM150,000** who has commenced its operations in 2023 onwards is required to implement e-Invoice starting from 1 July 2025 or upon the operation commencement date.
  - Business **without non-individual shareholder(s) (or equivalent) / is not a subsidiary of a holding company / has not related company or joint venture** who has commenced its operations in 2023 onwards is required to implement e-Invoice starting from 1 July 2025 or upon the operation commencement date, except when their annual turnover or revenue is below RM150,000.
- Malaysian buyers are not required to include the duties and/or taxes levied by the RMCD in the self-billed e-Invoice for import of goods.

We would like to highlight that the 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