



LHDNM launched MyInvois to strengthen the National Taxation System

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The Government has mandated Lembaga Hasil Dalam Negeri Malaysia (LHDNM) or HASiL to roll out e-invoicing across the country. This cutting-edge initiative aims to streamline transactions in real time, boosting efficiency and compliance with its precise data collection and advanced validation capabilities. It's a key step towards realizing the Government's vision of a Digital Malaysia, championing technological progress and digital integration in the economy.

After conducting global study visits to different tax authorities and in-depth discussions with stakeholders, industry experts, and taxpayers, HASiL developed Malaysia's e-Invoice system, known as MyInvois, in 2023.

Effortless e-Invoicing for Every Business

The MyInvois System comprise of two (2) transmission mechanisms



CONTINUOUS TRANSACTION CONTROL (CTC) MODEL

A model that enables a **high level of control** through **validation of invoice data received by IRBM** as well as **allowing flexibility to taxpayers** to decide on their preferred ways to transmit e-Invoice data to IRBM for **near real-time validation**

1

MyInvois Portal

A portal hosted by IRBM as an option that is available to taxpayers at no cost



Accessible to all taxpayers



Available to taxpayers who need to issue e-Invoice but API connection is down

2

Application Programming Interface ("API")

An API is a set of programming code that enables direct transmission between the taxpayers' system and MyInvois System



Requires upfront investment in technology and adjustments to existing systems



Ideal for large taxpayers or businesses with substantial transaction volume

Whether you're running a bustling enterprise or a new startup, the MyInvois System has got your back. It offers two accessible ways to handle e-Invoicing: an Application Programming Interface (API) that facilitates end-to-end automation and a free, user-friendly web portal called the MyInvois Portal. Both options are designed to cater to all taxpayer categories, including micro and small businesses.



WHAT IS e-INVOICE?

e-Invoice is a digital representation of transactions conducted between a seller and a buyer, replacing the use of paper or electronic documents such as PDF, JPEG, and others.

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Dr. Rasyidah Che Rosli
Director of e-Invoice Section,
Tax Operations Department,
Lembaga Hasil Dalam Negeri (LHDN)



According to Dr Rasyidah Che Rosli, Director of e-Invoice Division, Tax Operation Department, LHDNM, "The overall initiative started over 2 years ago with a strategy and policy study. This is to ensure that the direction taken by HASiL is aligned with global best practices, and will benefit all taxpayers. The strategy was not developed in isolation, but included frequent and multiple consultations with key stakeholders, both within and outside of Malaysia".

"The system development took less than 1 year. This is an achievement considering the scale and extent of usage of the systems. Based on the announcement by HASiL, the MyInvois API has been live since April 2024 and MyInvois Portal since June 2024. Over 800,000 e-invoices were submitted ahead of the 1st August timeline and as at 12th August, over 3.8 million e-invoices were received through the MyInvois system This is a positive sign that Malaysian taxpayers are supportive of the initiative," she said.

Navigating Change and Safeguarding Data

Public understanding and acceptance

As with any major initiative and legislative change, resistance to change and compliance concerns are to be expected.

Stakeholder experiences vary widely: some taxpayers begin early, while others start later, leading to diverse challenges based on their business models and specific needs.

For instance, around 5,000 companies are scheduled to transition on August 1, 2024, with over a million companies are expected to follow in July 2025. Recognising the importance of taxpayers understanding and acceptance of MyInvois, a

comprehensive change management program was executed, which included:

- Conducting over 200 engagement sessions with key industry players, interest groups and relevant ministries to ensure an effective and clear understanding of e-invoicing and MyInvois.
- Mobilised a dedicated Service Desk and technical support team to support technical challenges faced by the companies.
- Conducted awareness sessions at each state to demonstrate MyInvois Portal capabilities and to answer taxpayers' questions.
- Published guidelines and detailed industry FAQ to provide clarification and examples for taxpayers on our e-Invoice microsite.

Data Privacy and Cybersecurity Protection

HASiL is entrusted with safeguarding the tax data on behalf of the Government of Malaysia. This is a responsibility that we take seriously. For example, one common query that we receive is "Why can't HASiL give out the Tax Identification Number (TIN) since HASiL already has the data?". By law, HASiL is prohibited from sharing taxpayer information And we take data protection very seriously," she explained.

In addition, it is acknowledged that MyInvois would be an attractive target for cybercriminals. Therefore, HASiL must remain vigilant in safeguarding taxpayer data while ensuring the

continuous availability of MyInvois, given its status as a mission-critical system. To address this, HASiL is collaborating closely with relevant authorities, securing third-party certification, and implementing 24/7 security operations monitoring.

How's the market response and feedback?

Taxpayers generally understand the government's drive towards a digital economy and are beginning to understand the advantages that e-Invoicing can enhance their business operations. They see it as a positive step that can offer long-term benefits and contribute significantly to their digital transformation journey.

"Reactions to the MyInvois system vary across different taxpayer groups. Phase 1 taxpayers (those with revenues over RM100 million) initially expressed concerns about meeting the deadlines, mainly due to the complexity of their system environments and business processes. However, once they have successfully integrated with the MyInvois system, their concerns were significantly reduced"

"On the other hand, Micro, Small, and Medium Enterprises (MSMEs) are worried about the implementation process itself, only because they are unfamiliar with digitalization. This is where HASiL works with the broader ecosystem stakeholders (Including MDEC) to provide cost-effective solutions. In addition, HASiL is in the process of developing a free solution specifically for those who wish to embark on their digitalisation journey," said Dr Rasyidah.

What are the future plans for the e-Invoice?

In terms of new launches, taxpayers can look forward to the launch of the MyInvois mobile application, scheduled to be released in October of this year. This mobile application will

further improve the accessibility of the MyInvois services, allowing users to manage their e-Invoicing needs at any time and from any location.

In December, we expect to launch our free ePOS system tailored specifically for businesses that do not have any systems to capture their sales transactions. This offering is not meant to replace commercial POS systems available in the market but rather to help businesses in initiating their digitalisation journey.

Additionally, we are committed to periodically enhancing additional capabilities and features on the core MyInvois platforms (Both Portal and API) based on feedback received from the taxpayers, to further simplify their tax compliance and become more digital. The rollout of e-Invoicing in Malaysia marks a significant step towards digital transformation in the business landscape. By streamlining processes, improving accuracy, and enabling real-time validation, e-Invoicing is set to enhance efficiency and transparency across various sectors.

For more info, you can visit <https://www.hasil.gov.my/en/e-invoice/>

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