

# COMPILATION OF PIGEON HOLE QUESTIONS



**MULTINATIONAL TAX SEMINAR**  
**[Updated as at 11 July 2024]**

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NO.	QUESTION	ANSWER
<b>Slot 1: Transfer Pricing (TP) Documentation - TP Rules Requirements</b>		
1.	During TP audit, the taxpayer submits one TP Documents (TPD) for multiple years. What will be the risk?	TPD is supposed to be submitted yearly, however submission of one TPD for multiple years will expose taxpayer to the risk of non-contemporaneous TPD. However, starting YA 2023, with reference to the TP Rule 2023 TPD must be submitted yearly.
2.	Deadline 14 days from date of service, how will IRBM inform to company on TP audit?	IRBM will issue an official letter informing taxpayers on the TP audit 14 days before the audit is undertaken.
3.	How long will the TP audit take to be completed?	The completion of the TP audit varies. It depends on the complexity level of each TP audit cases.
<b>Slot 2: Issues Surrounding Audit on Tax Incentives</b>		
1.	What do you look out for audit of assets that claimed reinvestment allowance?	IRBM will focus on the assets which are claimed as qualified for reinvestment allowance and whether all conditions for claiming reinvestment is fulfilled.
2.	When will the revised TP audit framework be issued? We need clarification on surcharge vs penalty, penalty amount for non-compliance of CTPD etc.	It will be gazetted soon.
3.	In event of a TP audit, if there are both adjustments on TP issues and clawback of portion of tax incentive, how will the surcharge or tax penalty be imposed?	Surcharge will be imposed on the TP issues whereas penalty will be imposed on the non-TP issues.
4.	Why IRBM now takes longer time to conduct <i>audit meja</i> for a company with refund tax position and enjoy tax incentives. What is the turnaround time for IRBM to process any refund tax position?	Taxpayer is advised to contact the respective IRBM branch for further clarification.

NO.	QUESTION	ANSWER
<b>Slot 3: e-Invoicing and Its Implementation</b>		
1.	3rd party give voucher to our customer to use in our shop. We sell goods worth RM100, paid to us using voucher. Then we claim back RM100 from 3rd party. RM100 sales+ RM100 claim = double?	Taxpayer can issue e-Invoice with a nil amount for the sale of goods if the customer requests e-Invoice. For claims of money, taxpayer is required to issue e-Invoice to the said third party.
2.	After e-Invoice send for validation, if it rejected by IRBM, do any error message or reason to be provided?	Once the e-Invoice has been validated, IRBM will notify both the Supplier and Buyer via the MyInvois Portal. An e-mail will be sent for this notification. Notifications include invoice clearance and Buyer rejection requests.
3.	Any chances for the Phase 1 Implementation to be postponed?	The government is committed to implementing e-invoicing in stages according to a specified timeline without postponement.
4.	Any guidelines or FAQs on transition period before full implementation to all taxpayer?	The e-Invoice Microsite provides all necessary information to taxpayers regarding e-Invoice implementation, including two sets of guidelines and specific guidelines; and FAQs.
5.	Any incentive / grant for upgrade accounting system to cater for e-Invoice.	Yes, there is the MSME Digital Grant MADANI, as announced by the government during Budget 2024.
6.	As defined, e-Invoice is referring to the JSON file and not the PDF copy (even with QR code). How can buyer keep this record as the JSON file is not required to be shared by supplier?	Through the MyInvois Portal, both Supplier and Buyer will have the option to request and retrieve e-Invoice. MyInvois Portal provides essential invoice details such as the invoice date, amount, invoice status, and other relevant information submitted to IRBM, in the format of: 1. XML/JSON 2. Metadata 3. Grid 4. PDF File
7.	As overseas customer doesn't require e-Invoice. Can we issue consolidated e-Invoice for the export sales?	If the buyer does not request an e-Invoice, the seller can issue a consolidated e-Invoice, regardless of whether it is a foreign or domestic sale, except for activities or transactions where a consolidated e-Invoice is not allowed.
8.	As part of pilot programme participant, MyInvois portal is still not ready for those not going to go for API approach. When will it be live? And how to access it?	The MyInvois Portal is currently under development and is expected to be accessible to all taxpayers before the end of June 2024. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.
9.	B2B service tax exemption to use tax type "E"?	The code for tax type is 'E - Tax exemption (where applicable)'.
10.	Can a company use both Myinvois portal and API depending on the type of invoice issued?	Yes, the company can use the MyInvois Portal and API for the issuance of e-Invoice.

NO.	QUESTION	ANSWER
11.	Can provide feedback from the implementation by the pilot program participants?	The production environment of the MyInvois system through the Application Programming Interface (API) has been opened to enable as many as 90 pilot companies, including service providers to issue e-Invoices using their actual business data from 24 May 2024. The first phase of e-Invoicing implementation will begin on 1 August 2024, involving more than 5,000 taxpayers.
12.	Can K1 form no. be an optional field because a lot of business use forwarding agent to clear imported goods and data is not in co. system. K1 form also received late from forwarding agent.	This information needs to be obtained from the agent for the company to issue a self-billed e-Invoice.
13.	Can taxpayer interchange between consolidated method and normal e-Invoice issuance method.	Where the buyers request for e-Invoice, the supplier is required to issue e-Invoice for the transaction.
14.	Can the JSON file be downloaded from the MyInvois portal in report format? How will IRBM conduct audit post e-Invoice if we didn't keep the JSON file? Will we be penalized as not keeping record?	<p>Through the MyInvois Portal, both Supplier and Buyer will have the option to request and retrieve e-Invoice. MyInvois Portal provides essential invoice details such as the invoice date, amount, invoice status, and other relevant information submitted to IRBM, in the format of:</p> <ol style="list-style-type: none"> <li>1. XML/JSON</li> <li>2. Metadata</li> <li>3. Grid</li> <li>4. PDF File</li> </ol> <p>Taxpayers are still required to retain sufficient records and documentation related to the transaction in accordance with current rules and legislation.</p>
15.	Can you give example of how the code 044 - Vouchers, gift cars, loyalty points should be used? When the company sell vouchers and gift cards? What about loyalty points?	The sale of non-refundable vouchers and gift cards requires an e-Invoice to be issued. Loyalty points given for free do not need an e-Invoice.
16.	Can we download invoices. from buyers in excel and in bulk instead of each invoice in PDF?	<p>Through the MyInvois Portal, both Supplier and Buyer will have the option to request and retrieve e-Invoice. MyInvois Portal provides essential invoice details such as the invoice date, amount, invoice status, and other relevant information submitted to IRBM, in the format of:</p> <ol style="list-style-type: none"> <li>1. XML/JSON</li> <li>2. Metadata</li> <li>3. Grid</li> <li>4. PDF File</li> </ol>
17.	Can we prepare the e-Invoicing in advance through API? Ex, invoice date 1 Sept 2024 issued on 20 Aug 2024.	Yes, the supplier can prepare the e-Invoice and keep it as a draft. The e-Invoice date and time will be recorded as the date and time the e-invoice is received by the MyInvois System.

NO.	QUESTION	ANSWER
18.	Company A sell shares in Company B to Company C, Company A need issue e-Invoice?	The details will be provided in the upcoming release of the guideline.
19.	Do we need to issue e-Invoice/self-bill for employee loan issuance and repayment?	The company is required to issue e-Invoice for the loan interest payment made by the employee.
20.	Does the e-Invoice effect company account?	The recognition of income and expenses will follow the existing accounting standards and will not be impacted by the implementation of e-Invoice.
21.	Does the MyInvois Portal can support for the issuance of consolidated e-Invoice?	Yes, the pre-defined Microsoft Excel spreadsheet allows for all types of e-Invoices to be issued, including consolidated e-Invoices.
22.	e-Invoice size requirement valid for API also?	The size limitation applies to the MyInvois System regardless of whether businesses are using the MyInvois Portal or API.
23.	e-Invoice notification will send to which email address? Email registered with MyTax? Or email put in e-Invoice?	E-mail notification will be sent to the e-mail addressed maintained under the taxpayers' MyInvois User Profile.
24.	Employee loan need self-invoice? Cash out or collect loan repayment?	The company is required to issue e-Invoice for the loan interest payment made by the employee.
25.	For a company has small oil palm estate, the sales of oil palm are self-bill invoice or how?	The supplier should issue e-Invoice for the sales of oil palm.
26.	For accrual expenses e.g., utilities need charge to tenant after received the bill on the following month e.g. 2nd so can this bill back date to end of last month?	Issuing e-Invoice with a backdated date is not allowed. If there is a utility charge that needs to be invoiced retrospectively (for a past period), it should be included in the next billing cycle.
27.	For B2C business, due to time constraints, can the company provide consolidated invoice without sharing standalone e invoice to customer for beginning of the period?	Yes, suppliers can issue a consolidated e-Invoice if the buyer does not require e-Invoice, except for activities or transactions where a consolidated e-Invoice is not allowed.
28.	For companies starting in phase 1, if there are technical difficulties which the company cannot start, will there be any penalty imposed?	During the transitional period, all taxpayers will be allowed to provide either normal bill /receipt / invoice (as per current business practice) or validated e-Invoice to substantiate a transaction for tax purposes until full implementation of e-Invoice.
29.	For company of 1st phase, is it need to 100% fulfil on proof of income (able to issue e-Invoice)? Where proof of expenses still unable to 100% due to implementation by phase.	During the transitional period, all taxpayers will be allowed to provide either normal bill /receipt / invoice (as per current business practice) or validated e-Invoice to substantiate a transaction for tax purposes until full implementation of e-Invoice.
30.	For consortium, how do I issue the e-Invoice? To consortium or individual company?	The invoice should be issued to the individual companies that formed the consortium, based on the agreed portions.

NO.	QUESTION	ANSWER
31.	For group companies, e-invoicing is managed by parent company, does every company in the group need a digital signature or only parent company will do?	<p>Digital certificate is needed to authenticate the issuer. If the taxpayer submits the e-Invoice themselves, they must obtain a digital certificate for authentication.</p> <p>If a Service Provider (SP) submits the e-Invoice as an intermediary, the SP must procure a digital certificate to authenticate themselves as an intermediary or representative.</p>
32.	For importation of goods, my company receive final invoice and pay 1st before goods are made. The importation occurs 6 months later. Do I self-bill based on payment date or can still follow Customs clearance?	For the importation of goods, a self-billed e-Invoice should be issued no later than the end of the month following the month in which customs clearance is obtained.
33.	For Licensed Manufacturing Warehouse (LMW) Companies, are we required to compute the notional sales tax / duties?	There is no need to compute notional tax. The issuance of e-Invoice is the same as the current invoicing arrangement.
34.	For MNCs there are cross border intercompany recharges, usually to one Malaysia entity and recharge out to other intercompany entity. Need to issue e-Invoice? Type of e-Invoice?	The Malaysian entity (income recipient) is required to issue e-invoice for intercompany charges (to local or foreign companies). The Malaysian entity is required to issue self-billed e-Invoice if they are paying intercompany charges to a foreign entity.
35.	For MyInvois batch upload using excel spreadsheet, can I find the Excel upload file?	The pre-defined Microsoft Excel spreadsheet for batch upload is not yet available. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.
36.	For purchase from foreign supplier, amount reported in the 55 fields, in MYR or foreign currency?	The currency exchange rate in the e-Invoice data field can be used for transactions conducted in foreign currencies, other than Ringgit Malaysia (RM).
37.	For retention sum value, need to do self-bill?	The supplier should issue e-Invoice when they receive the retention sum from the buyer.
38.	For self-billed e-Invoice of importation of goods, how if the customs clearance NOT conducted by us? (it conducted by third part). Is it any issue?	The Malaysian buyer is obligated to issue a self-billed e-Invoice for the importation of goods.
39.	For self-billed invoice, we only show one line with a combined total instead of multiple lines with different SKUs descriptions and amounts. Is this acceptable?	For self-billed e-Invoices on the importation of goods, Malaysian buyers are required to include all line items as per the commercial invoice issued by foreign suppliers and appropriate classification codes should be input for each line item.
40.	For self-billed invoice, we only show one line with a combined total instead of multiple lines with different SKUs descriptions and amounts. Please confirm if this is acceptable?	For self-billed e-Invoices on the importation of goods, Malaysian buyers are required to include all line items as per the commercial invoice issued by foreign suppliers and appropriate classification codes should be input for each line item.

NO.	QUESTION	ANSWER
41.	For self-billing foreign invoices, do we need to show SST and WHT on the surface of e-Invoice?	For self-billed e-Invoice purposes, taxpayers are allowed to adopt any visual representation format as currently practice by suppliers for sharing of e-Invoice, unless certain format is required by any legislation.
42.	For the TIN number need given to suppliers, the TIN number should start with C and behind the digit we need add extra zero?	The tax identification number is based on the number provided in MyTax.
43.	For those customers with a TIN number, but multiple transaction and outlets, how the MyInvois portal integrate and issue the verification ID and e-invoice to respective outlets?	It is up to the business to differentiate transactions from different outlets. Taxpayers may use the 'e-Invoice Code / Number' field to input document reference numbers for internal tracking purposes.
44.	Has the MyInvois portal testing environment been made available?	MyInvois (Sandbox) test environment can now be accessed from 10 April 2024, for those who prefer to integrate APIs with the MyInvois System and for other companies and service providers from 22 April 2024.
45.	Has the validation of digital signature been suspended? Will the validation process be removed? Is it still necessary to obtain digital certificate?	It is necessary to obtain a digital certificate, as the e-Invoice must be signed using the issuer's digital certificate.
46.	How long to get the sand box ID as we submitted request 2 weeks ago but yet to get the ID?	IRBM will provide the Client ID and Client Secret once all the necessary information has been provided correctly.
47.	How will e-Invoice impacting the need to provide documents for audit and investigation activities? Will taxpayers still need to keep and provide further documents in future audit?	Taxpayers are still required to retain sufficient records and documentation related to the transaction in accordance with current rules and legislation.
48.	If a company has more than one MSIC codes, can the company just use the MSIC code of its highest revenue generating business?	The MSIC code to be used is the same as the information provided in the tax return form (Form C) submitted to IRBM.
49.	If a company set up branch at rural areas, and the company engages individuals to perform cleaning service for the office, can the company claim for tax deduction as no e-Invoice is issued by the Individual?	The company is required to issue a self-billed e-Invoice for the acquisition of goods or services from individual taxpayers who are not conducting a business.
50.	If an invoice has been cancelled in company system on the same day when it was issued, does it still need to be declared to IRBM?	Once the e-Invoice has been cancelled within 72 hours from the time of validation via the MyInvois Portal or API, the supplier is required to issue a new e-Invoice if necessary.
51.	If buyer does not provide e-mail address, (since it is an optional data field), how does IRBM cloud notify buyer under Step 3 of MyInvois system?	E-mail notification will be sent to the e-mail addressed maintained under the taxpayers' MyInvois User Profile. As such, taxpayers (suppliers and buyers) are responsible to ensure the e-mail addresses input in the profile are correct in order to receive the e-mail notification.

NO.	QUESTION	ANSWER
52.	If Company A already mandated by e-Invoice purchase supplies from Company B which not yet mandated by e-Invoice (so no e-Invoice) will the supply expenses be tax deductible for Company A?	During the transitional period, all taxpayers will be allowed to provide either normal bill /receipt / invoice (as per current business practice) or validated e-Invoice to substantiate a transaction for tax purposes until full implementation of e-Invoice.
53.	If customer in our e-commerce store, requests for e-Invoice, can we issue to them a few working days after they received the parcel?	e-Invoice issuance is based on the business's current invoicing arrangement.
54.	If I require to do e-Invoice to a consortium (non-registered entity); who should I issue the e-Invoice (consortium or both party in the consortium). If to consortium, how to fill the mandatory fills?	The invoice should be issued to the individual companies that formed the consortium, based on the agreed portions. The buyer is required to provide the necessary information to the supplier to issue the e-Invoice.
55.	If my customer is a non-registered entity (i.e. consortium AB), how do i issue e-Invoice? To the consortium or invoice both party A and B separately? If to consortium, how to fill the mandatory fills?	The invoice should be issued to the individual companies that formed the consortium, based on the agreed portions. The buyer is required to provide the necessary information to the supplier to issue the e-Invoice.
56.	If shipping recipients refuse to provide tin number, how should we indicate in e-Invoice?	There is a concession given to the individual buyer or individual shipping recipient as specified in Sections 3.5.6 and 3.5.7 of the specific guidelines.
57.	If the company is unable to meet the Phase 1 mandatory date due to IT unpreparedness, will the IRBM impose penalties? Can the company apply for deferment or concessions?	The MyInvois Portal is accessible to all taxpayers at no cost. The portal can also be used by businesses that need to issue e-Invoice but do not have API connection available.
58.	If the e-Invoice data field fulfil requirements, but the printed copy of invoice send to customer does not display all e-Invoice data fields, by include the QR code and link is good enough to meet the rules.	Taxpayers are allowed to adopt any visual representation format as currently practice by the organization. Where visual representation of validated e-Invoice is to be shared with buyers, suppliers are required to ensure QR code (transformed by using validation link) on the face of the visual representation.
59.	Intercompany interest requires self-billed e-Invoice by the borrower upon payment of interest. Lender (treasury company) practice issuance of e-Invoice on monthly interest. How to solve duplication?	When the obligation to issue self-billed e-Invoice falls on the buyer, the other party is no longer required to issue e-Invoice to avoid duplication.
60.	Invoice shared to customer, can we put 3 date? 1. Invoice date - 31/5 (to follow BL date) 2. e-Invoice issuance date - 2/6 3. Validation date - 2/6	Taxpayers are allowed to adopt any visual representation format as currently practice by the organization. Where visual representation of validated e-Invoice is to be shared with buyers, suppliers are required to ensure QR code (transformed by using validation link) on the face of the visual representation. 'e-Invoice Date and Time' refers to date and time of issuance of the e-Invoice.

NO.	QUESTION	ANSWER
61.	Is government ready with the e-Invoicing implementation by this 1 August 2024?	Yes. The government is committed to implementing e-Invoicing in stages according to a specified timeline without postponement.
62.	Is MyInvois Portal Sandbox only applicable to pilot tester that uses API? How about non-API who will be submitting e-Invoices just using MyInvois?	Access to the MyInvois Sandbox (test environment) is available from 10 April 2024 for pilot companies and from 22 April 2024, for other companies and service providers. The MyInvois Portal is currently under development and is expected to be accessible to all taxpayers before the end of June 2024. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.
63.	Is self-bill relevant for down payment paid to overseas supplier prior to actual shipment?	An e-Invoice is required to be issued for the collection of deposit which serves as advance payment or is forfeited and no longer refundable. However, if the collection of deposit is a deposit refundable in nature, no e-Invoice would be required.
64.	Is sponsorship of product to customer and donation to organisation need to issue e invoice? If yes, what is the value?	The organization receiving donations or sponsorship should issue e-invoice. No e-Invoice is required for donation in-kind.
65.	Is the PDF version with QR code sufficient to be the record keeping whereby the 35 mandatory field is not fully disclose (with QR code)?	Taxpayers are still required to retain sufficient records and documentation related to the transaction in accordance with current rules and legislation.
66.	Is there a template of excel file for upload when we do not use API?	The MyInvois Portal allows batch uploads to issue consolidated e-Invoices. The format is not yet available. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.
67.	Is there any extension/postponement of the implementation date?	The government is committed to implementing e-invoicing in stages according to a specified timeline without postponement.
68.	Is there any grace period provided?	No. During the transitional period, all taxpayers will be allowed to provide either normal bill /receipt / invoice (as per current business practice) or validated e-Invoice to substantiate a transaction for tax purposes until full implementation of e-Invoice.
69.	It's our practice to issue invoice to our supplier when we return goods to supplier because don't want to wait for Credit Note from supplier. Can we continue this practice?	No, this is not allowed. The supplier is required to issue Credit Note e-Invoice for any subsequent adjustments.

NO.	QUESTION	ANSWER
70.	JMB / MC (before establishment) issue invoice to resident for management fee, no TIN because not establish yet, need to issue e-invoice? Or issue under developer's name?	The JMB or MC is required to issue e-Invoice for its transactions. Therefore, they must have a TIN to initiate it.
71.	My company is issuing employee loan. May I know if e-Invoicing is required for this issuance? For example, issue self-bill when there is loan release and loan repayment.	The company is required to issue e-Invoice for the loan interest payment made by the employee.
72.	No practical for timing of issuance of self-bill of importation of goods to be based on custom clearance. Could you revisit this?	Thank you for your feedback. This is a policy decision that has been put in place.
73.	Our retail shop sells goods to customer. If a customer request for e-Invoice, can we issue to them within a few working days?	There is no strict timeline mandated for issuing e-Invoices, except in particular scenarios. For instance, specific cases like consolidated e-Invoices, self-billed e-Invoices for the importation of goods/services and e-Invoices for foreign income have predefined deadlines or timing requirements.
74.	Payment of commission / incentive - the payer of the incentive should issue a self-billed e-Invoice or the ADD (Co.) should issue e-invoice?	The payer of the commission / incentive is required to issue self-billed e-Invoice to the ADD.
75.	Payment to government (CP204, penalty, stamping fee), need to do self-bill?	The receipts issued by the government would serve as proof of expenses.
76.	Please confirm taxpayer can prepare console e-Invoices for foreign customers given that they don't need e-invoices.	Where the buyer does not require an e-Invoice (whether Malaysian or non-Malaysian individuals), the supplier is allowed to issue a consolidated e-Invoice.
77.	Same company with LMW and IPC license, is internal sales from LMW to IPC need submit as e-Invoice or just normal invoice (as only internal transactions )?	No e-Invoice is required for inter-department / inter-division transactions. However, if the company is currently issuing invoices for inter-department / inter-division transactions, the company may continue to do so upon e-Invoice implementation. In cases involving intercompany charges, an e-invoice is required to substantiate for tax purposes.
78.	Sample invoiced to customer (FOC/zero) need to submit e-invoice? Currently Invoice issued to customer and for custom clearance purposes. Also debit credit revenue line item resulting in 0 net impact.	The issuance of e-Invoice follows current business practices.
79.	SAP just released notes in June for e-Invoicing and most company are in development stage. Can the implementation date be deferred in view of most company utilizing SAP are in the 1st phase?	The government is committed to implementing e-invoicing in stages according to a specified timeline.

NO.	QUESTION	ANSWER
80.	Ship to customer TIN number is a mandatory field for e-Invoice, for sales to some end customer through agent, this agent refuses to provide ship to end customer TIN number, how should we proceed?	The field for shipping recipient's NRIC and TIN are mandatory fields and required to be filled in by Supplier.
81.	Since the e-mail address become an optional data field, how does the buyer receive notifications (Step 3 of overview of Myinvois System) if no email address is provided by buyer.	E-mail notification will be sent to the e-mail address maintained under the taxpayers' MyInvois User Profile. As such, taxpayers (suppliers and buyers) are responsible to ensure the e-mail addresses input in the profile are correct in order to receive the e-mail notification.
82.	For the scenario e-Invoice shared from supplier's middleware (peppol or non peppol) to buyers' middleware (peppol), what happen if buyer uses non peppol / direct API?	The return API response will be provided to the buyer upon successful or unsuccessful validation if the taxpayer chooses to integrate directly via API.
83.	Someone said government will <i>roti canai</i> (U-turn) e-Invoice, what's the view from IRBM?	The government is committed to implementing e-invoicing in stages according to a specified timeline.
84.	Strongly recommend to the IRMB to consider concession given to the taxpayers no penalty for mistake or error for a period of 12 months. To educate taxpayers instead of penalise.	There will be a penalty imposed for the non-issuance of e-Invoices. However, during the transitional period, IRBM will focus on awareness and education to ensure that every taxpayer complies with the requirement of e-Invoices.
85.	Tax types does not include entertainment duty. So, we just include entertainment duty in the e-Invoice without tax type?	The code for tax type is '06 – not applicable'.
86.	The self-bill e-Invoice for payment of services - its earlier of payment made or receipt of invoice, can clarify the receipt of invoice would refer to the date of the data is key in the accounting system.	For importation of services self-billed e-Invoice should be issued latest by the end of the month following the month upon (1) payment made by the Malaysian Purchaser; or (2) receipt of invoice from foreign supplier, whichever earlier. The validation date will follow the current date and time.
87.	There are few phases and some local suppliers will starts implementing e-Invoicing on a later date. We foresee there will be a gap as local supplier not issuing e-Invoice until 1 July 2025. Is it ok?	During the transitional period, all taxpayers will be allowed to provide either normal bill /receipt / invoice (as per current business practice) or validated e-Invoice to substantiate a transaction for tax purposes until full implementation of e-Invoice.
88.	There was an article in the Star last month regarding IRBM releasing e-Invoice software on 1 June 2024. Can u share where we can get this software?	IRBM does not certify any service provider or technology provider. Businesses are responsible for evaluating and selecting service providers or technology providers based on their reputation and capabilities. IRBM only provides a testing environment (Sandbox) for them to develop and test their solutions, ensuring compliance with the set requirements.

NO.	QUESTION	ANSWER
89.	Top up corporate card for company car petrol Who should issue e-Invoice? Timing of e-Invoice is upon top up?	The company that provides top-up services is not required to issue e-Invoice. The petrol station is required to issue e-Invoice once the card is utilized.
90.	Utilities paid to owner name instead of landlord name. How you do self-bill?	Where the tenants are unable to request an e-Invoice to be issued in their name, such utilities paid by the tenants should be included in the e-Invoice issued by the landlord (if the landlord is a business or an individual conducting business); or in a self-billed e-Invoice issued by the tenant (if the landlord is an individual not conducting business).
91.	We import goods from foreign supplier. Foreign supplier gives us free products. for customs clearance, we still need to declare a value to these free goods. Which figure to report to IRBM?	For self-billed e-Invoice purposes, the actual transaction value as stated on the foreign suppliers' final invoice will be used as the value for e-Invoice purposes.
92.	We sell goods to our staffs at office. Normally, we just capture it using journal. Future, can we issue a consolidated e-invoice?	Where buyers do not request an e-Invoice from the supplier (regardless of whether the buyer is an employee or not), except for certain transactions that are not allowed for consolidation, the supplier is allowed to issue receipts to the buyers and aggregate all receipts to issue a consolidated e-Invoice later within the stipulated period.
93.	We send request for requesting client ID and Client Secret. But we received email mentioning that we are rejected for it. We are using middleware for e-Invoice submission.	IRBM will provide the Client ID and Client Secret once all the necessary information has been provided correctly.
94.	What are the expectations for digital signatures?	The digital signature will verify that the submitted e-Invoice originates from a specific taxpayer. The hashed value of the digital signature will be part of the e-Invoice API submission request body.
95.	What information appear after the buyer scans the validated e-Invoice QR code?	QR code containing encoded data that typically includes information for a locator or reference, as well as an identifier.
96.	What is the purpose of collecting data relating to shipping recipient, address and TIN in the case where these differ from billing details?	This is a policy decision that has been put in place.
97.	What is the recommendation the company is unable to meet the Phase 1 mandatory date due to IT unpreparedness, will the IRBM impose penalties?	The MyInvois Portal is accessible to all taxpayers at no cost. Businesses that need to issue e-Invoices but do not have access to API connections can use the MyInvois Portal.
98.	What is the risk to taxpayer if not fully ready on 1 August 2024? Will there be penalty imposed for non-compliance?	Yes, there will be a penalty imposed for the non-issuance of e-Invoices. However, during the transitional period, IRBM will focus on awareness and education to ensure that every taxpayer complies with the requirement of e-Invoices.

NO.	QUESTION	ANSWER
99.	What is the time line to issue self-billed e-Invoice for transactions other than importation of goods and services e.g. Interest payment?	There is no strict timeline mandated for issuing e-Invoice, except in particular scenarios. For instance, specific cases like consolidated e-Invoice, self-billed e-Invoice for the importation of goods/services and e-Invoice for foreign income have predefined deadlines or timing requirements.
100.	What is the timeline to generate the self-billed invoices (i.e. in relation to overseas customers)?	For export sales, the Malaysian seller is required to issue an e-Invoice to the foreign purchaser to record the income once the transaction is made.
101.	What is value for self-bill? Supplier invoice value? Or must tie to K1 value?	For self-billed e-Invoice purposes, the actual transaction value as stated on the foreign suppliers' final invoice will be used as the value for e-Invoice purposes.
102.	What should we do if company not willing to reveal the TIN number? For GST, we can go in to the portal to check and verify.	If the buyer requests an e-Invoice, they have to provide their details so that the supplier can issue the e-Invoice.
103.	What value to be used for self-bill? Gross, net withholding tax, net withholding tax plus SST?	Taxpayers should use the gross value before withholding tax. SST should be input if applicable to the transaction.
104.	When do I need to start doing self-billing for foreign transactions as e-Invoice is yet to be compulsory for all companies. Can I do it only for transactions starting from 1 July 2025?	The e-Invoice will be implemented in phases according to the mandatory timeline specified in the e-Invoice general guidelines.
105.	When is next guideline coming out? System doesn't allow e-Invoice submission for transaction that was more than 3 days before.	The new guideline only be issued to improve and provide explanations based on feedback received from the public. An e-Invoice should be issued once the transaction is concluded.
106.	When is the system available to verify customer TIN number?	The API allows the taxpayer's ERP system to validate a specific Tax Identification Number (TIN) before adding it to an invoice and issuing the invoice, as specified in the SDK.
107.	When Myinvoice portal will be launched?	The MyInvois Portal is currently under development and is expected to be accessible to all taxpayers before the end of June 2024. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.
108.	When will the e-Invoice portal ready for usage?	The MyInvois Portal is currently under development and is expected to be accessible to all taxpayers before the end of June 2024. Please await the official announcement from the IRBM, which will be made through a press release and on the e-Invoice microsite.

NO.	QUESTION	ANSWER
109.	When will the FAQs for the manufacturing industry be updated in the website?	There will be no specific FAQs issued for the manufacturing industry. The concept of e-Invoice implementation is the same across different industries.
110.	When will the IRBM issue specific guidelines for the financial industry?	There will be no specific guidelines issued for financial industry. The concept of e-Invoice implementation is the same across different industries.
111.	Where recipient has issued a self-bill, please confirm that supplier does not need to issue e-Invoice.	Yes, once the self-billed e-Invoice has been issued by the buyer, the seller is no longer required to issue an e-Invoice for the particular transaction.
112.	Will IRBM conduct more training to taxpayer as a lot of taxpayer are not aware and not willing to provide the TIN number when we are collecting the data?	IRBM at the state level is actively conducting a series of engagement sessions with industry players, tax practitioners, professional bodies and identified stakeholders to provide comprehensive information regarding the implementation of e-Invoice in Malaysia.
113.	Will there be a public training to test and train for the e-Invoice?	IRBM at the state level is actively conducting a series of engagement sessions with industry players, tax practitioners, professional bodies and identified stakeholders to provide comprehensive information regarding the implementation of e-Invoice in Malaysia.
114.	Will there be an excel template for company who are not using API for upload?	Yes. Taxpayers can upload a certain number of e-Invoice in batches by uploading pre-defined Microsoft Excel spreadsheet to the MyInvois Portal, containing the necessary invoice information.

NO.	QUESTION	ANSWER
<b>Slot 4: Discussion on Current Development and Issues on Multinational Taxation, Two-Pillar Solution and Tax Corporate Governance Framework (TCGF)</b>		
1.	Management fees is always easy target. How to provide enough evidence to substantiate level of service? It's very subjective.	The evidence to substantiate level of services for management fee / IGS are documentation pertaining to services provided, costs included and excluded, contract, comprehensive and complete description of those benefits. For further details, please refer to Chapter VI, MTPGL 2012 (Updated on 15 July 2017).
2.	What are the circumstances where the IRBM decides how a TP audit is conducted - whether it is virtual audit, physical audit or a hybrid model?	<p>TP audit is conducted based on the risk level of the company and the nature of business. For example, physical audit is necessary for manufacturing company to understand on the function perform and cost component involve in determination of pricing policy.</p> <p>For those cases where there are no signification changes, then virtual audit is recommended. Hybrid audit will be conducted for companies which granted incentive for further verification on compliance.</p>
3.	What are the other common tax issues found among MNCs during audit apart from TP findings?	Other common tax issues found among MNCs during audit are incentive (Reinvestment Allowance, Income Tax Allowance, Pioneer Status and Principal Hub), transfer of intangible properties, recognition of income (inventory transferred) derive from discontinued business segment and issues on financial assistance i.e. Debt v Equity.
4.	How to effectively substantiate a Cost Contribution Arrangement (CCA) arrangement to be able to meet IRBM auditors' requirements?	<p>We require the following information to effectively substantiate a CCA arrangement;</p> <ol style="list-style-type: none"> <li>a. CCA agreement,</li> <li>b. Scope of the activities covered by the arrangement,</li> <li>c. The form and value of each participant's initial contributions, and</li> <li>d. All material changes to the arrangement.</li> </ol> <p>For further details, please refer to Chapter VII, MTPGL 2012 (Updated on 15 July 2017).</p>
5.	Transfer of assets from holding company to subsidiary is related party transactions?	Yes, it is related party transaction.

NO.	QUESTION	ANSWER
6.	Transfer of assets within the group is related party transactions? Is related to switch the operation to related party.	Yes, it is related party transaction. Transfer of asset (buy or sell) within the related party and acquisition of the asset due to business transfer is two different things. Anyhow both are related party transaction and subject to arm's length principals under Section 140A ITA 1967.
7.	What is the % of case closed without any TP adjustments? For any adjustments, what is the criteria for surcharge of 0 to 5%?	Information about percentage (%) of case closed without any TP adjustment are related to policy matters. The surcharge for TP adjustment is 5% but a lower rate will be consider based on merit of case and upon approval from Director, based on Subsection 140A(3C) ITA 1967.
8.	Will IRBM still expect benchmarking for companies making losses? Specifically, if there are capacity utilisation issues.	Yes, the loss-making companies still advised to prepare Benchmarking Analysis in order to justify whether the losses are due to commercial reason or transfer pricing issues.
9.	What kind of documents will be sufficient to substantiate royalty fees paid to a foreign holding company?	<p>The following document are considered as sufficient:</p> <ol style="list-style-type: none"> <li>a. Royalty Agreement,</li> <li>b. Document related to prove of payment,</li> <li>c. Document and receipt of withholding tax payments that are made with regards to the royalty payment, and</li> <li>d. Justification on arm's length percentage (%) of the royalty rate.</li> </ol>
10.	99% of our sales are related party where we set the price by conducting comparable price with competitor via google (not conduct a proper study) are we in compliance of the arm's length principle?	<p>Companies which have related party transaction must conduct proper Benchmarking Analysis to prove their price are at arm's length. Benchmarking analysis is a part of comparability analysis done to determine whether controlled transactions have been conducted at arm's length. Information provided includes the selection process, rejection/acceptance criteria as well as basic financial information of the selected comparable companies.</p> <p>The choice of comparable companies hinges upon proper characterisation of the taxpayer based on FAR analysis and the choice of TP method, as well as availability of public data. The results of a well-developed analysis can be used to test of whether the company is operating at arm's length.</p>

NO.	QUESTION	ANSWER
11.	Companies perform periodic transfer pricing adjustments or annual year-end adjustments. What details are of IRBM interest and how are these details considered sufficient?	All the periodic transfer pricing adjustments or annual year-end adjustments must be supported by the sufficient supporting document i.e. capacity utilisation. Company must provide basis of calculation, production report, and justification on the adjustment (supply and demand analysis), and other documentation if any.
12.	Define proper documentation. What is proper documentation for basis of charge beside TP report?	<p>Company can provide, among others these documentations:</p> <ol style="list-style-type: none"> <li>Costing sheet together with relevant document i.e. sales and purchase invoices in order to demonstrate how the pricing is determined.</li> <li>There are some TP Documentation does not explain in details on the pricing policy.</li> <li>Cost component and basis of allocation for the relevant control transaction.</li> </ol>
13.	My company is a subsidiary of a MNC from a foreign country where the group revenue exceeds €750mil. How does the GMT affect us?	<p>We would advise your company to:</p> <ul style="list-style-type: none"> <li>Contact your Ultimate Parent Entity (UPE) and find out if the UPE jurisdiction is implementing GMT and in which year. You will be affected if your UPE jurisdiction implements GMT, especially in 2024.</li> <li>Perform an impact assessment to evaluate whether your company is expected to be liable for the top-up tax under GMT.</li> <li>Be alert and equipped with the latest information on the mechanism of GMT.</li> </ul>
14.	When will the IRBM intend to release the Guidelines for Pillar 2?	We intend to release the Guidelines for GMT before its implementation in 2025. It will be issued by the end of this year.
15.	When will IRBM release the template/Nota Penerangan for GIR and Top Up Tax Return?	<p>The template and guidance for the GloBE Information Return (GIR) have been published by the OECD. You can access this guidance via the IRBM website.</p> <p>The Top-Up Tax Return (TTR) is intended to be a simplified return as compared to the GIR. It functions to disclose the tax liability of each CE. As the first TTR is only expected to be filed in 2027, the <i>Nota Penerangan</i> will be issued in due time.</p>

NO.	QUESTION	ANSWER
16.	To elect for Simplified ETR calculations for the first 3 years, we understand that we can use the Qualified CbCR for GMT. However, does Qualified CbCR means we have to match consolidation pack figures against the final Audited Financial Statements with qualified Accounting Standard?	<p>A CbCR that is prepared and filed using Qualified Financial Statements is a Qualified CbCR for GMT.</p> <p>Qualified Financial Statements means:</p> <ol style="list-style-type: none"> <li>a. The accounts used to prepare the Consolidated Financial Statements of the UPE,</li> <li>b. Separate financial statements of each Constituent Entity provided they are prepared in accordance with either an Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard if the information contained in such statements is maintained based on that accounting standard and it is reliable, or</li> <li>c. In the case of a Constituent Entity that is not included in an MNE Group's Consolidated Financial Statements on a line-by-line basis solely due to size or materiality grounds, the financial accounts of that Constituent Entity that are used for the preparation of the MNE Group's CbC Report.</li> </ol>
17.	Pillar 1 - Will IRBM implement Amount B? will IRBM elect Option A or Option B?	Malaysia is still considering the implementation of Amount B. Further decisions on whether to adopt Option A or B will be based on the guidance from the MOF.
18.	Substantial cost involved in getting GMT tool. Like hundreds of thousands to millions. Can claim tax deduction? Or incentive for double tax deduction maybe?	The MOF and the Tax Policy Department are in charge of considering and deciding whether to grant any tax deductions or incentives for double taxation. This issue can be raised on an appropriate platform, such as a discussion between tax practitioners and the MOF or the Tax Policy Department. However, any tax deduction, including incentives for double tax deduction, that reduces the tax may have an impact on the Covered Taxes under GloBE Rules, where the top-up tax may apply.
19.	Will the authorities streamline the RM 3B threshold for CbCR and EUR 750m threshold for GMT?	IRBM is currently considering streamlining the CbCR and GMT threshold. This issue is also currently in discussion at the OECD-level to bring CbCR closer in-line with GMT.
20.	Will IRBM do any handholding session like e-invoicing for GMT?	Yes, IRBM plans to conduct some engagement sessions for GMT in due time.

NO.	QUESTION	ANSWER
21.	<p>UPE is IFRS while we are LGAAP, diff treatment on certain transactions made ETR calculated diff. IFRS &lt; LGAAP (o/wise). How to determine % top up rate? Based on UPE calculation or MY entity?</p>	<p>The UPE's consolidated financial statements under IFRS will be used as the primary source to determine the ETR.</p> <p>Only if it is not reasonably practicable to do so, the Financial Accounting Net Income or Loss for the Constituent Entity for the Fiscal Year and subsequently the ETR may be determined using another Acceptable Financial Accounting Standard or an Authorised Financial Accounting Standard.</p> <p>For further info, Acceptable Financial Accounting Standard means International Financial Reporting Standards and the generally accepted accounting principles of Australia, Brazil, Canada, Member States of the European Union, Member States of the European Economic Area, Hong Kong (China), Japan, Malaysia, Mexico, New Zealand, the People's Republic of China, the Republic of India, the Republic of Korea, Russia, Singapore, Switzerland, the United Kingdom, and the United States of America.</p> <p>Authorised Financial Accounting Standard means in respect of any Entity, a set of generally acceptable accounting principles permitted by an Authorised Accounting Body in the jurisdiction where that Entity is located.</p>
22.	<p>Is the TCGF compulsory for companies with Turnover over RM100million?</p>	<p>IRBM are looking for companies that meet the following criteria for TCGF application:</p> <ul style="list-style-type: none"> <li>a. Large Companies / Public listed / Government, Linked Companies / State Owned Enterprise (Turnover RM100mil and above),</li> <li>b. Compliant taxpayers (Return form submission and tax payment), and</li> <li>c. Companies with established Tax Control Framework.</li> </ul> <p>Currently, the application of the TCGF is on voluntary basis.</p>
23.	<p>Compliance cost on TCGF would be given a tax deduction under ESG. How IRBM ensure that foreign-owned entities in Malaysia to adopt TCGF especially these entities not fulfilling ESG deduction conditions?</p>	<p>Any claim of deductions will be audited accordingly under Section 33(1) ITA 1967 including the compliance cost for TCGF.</p>

NO.	QUESTION	ANSWER
24.	Will the taxpayer be penalised with assessment and penalty in the event certain tax issues are identified during the process in adopting TCGF?	<p>Taxpayers are advice to review and assess their compliance and governance level prior to making decision whether to participate in the program or not.</p> <p>If during the self-review and assessment stage, taxpayers found any issues which result in additional adjustment or tax payment, IRBM encourage them to come and submit tax amendment (voluntarily) and they may request for leniency of penalty from the respective States / Branches.</p>
25.	What is the moving forward program for TCGF? Will any taxpayer could apply to join the program?	<p>Taxpayers who are interested and satisfy the pre-requisites of TCGF can submit the application form to IRBM to officially participate in the programme.</p> <p>An Authentication Letter (<i>Surat Pengesahan</i>) will be given to taxpayers once the IRBM is satisfied with the internal control after performing the preliminary review and assessment process.</p>
26.	If a company is allowed to join the TCGF program and during the assessment process IRBM find an audit issues, can the company still accept for the TCGF program?	<p>Taxpayers are advice to review and assess their compliance and governance level prior to making decision whether to participate in the program or not.</p> <p>If during the self-review and assessment stage, taxpayers found any issues which result in additional adjustment or tax payment, IRBM encourage them to come and submit tax amendment (voluntarily) and they may request for leniency of penalty from the respective States / Branches.</p> <p>If issues found during the adequacy or effectiveness review, IRBM will initiate discussions and consultations to ensure that tax payers understand the issues and voluntarily make rectifications. Taxpayer's TCGF application can still be processed after the issues has been resolved.</p>
27.	When does TCGF become compulsory for companies meeting stipulated threshold?	<p>IRBM are looking for companies that meet the following criteria for TCGF application:</p> <ul style="list-style-type: none"> <li>a. Large Companies / Public listed / Government, Linked Companies / State Owned Enterprise (Turnover RM100mil and above),</li> <li>b. Compliant taxpayers (Return form submission and tax payment), and</li> <li>c. Companies with established Tax Control Framework.</li> </ul> <p>Currently, the application of the TCGF is on voluntary basis.</p>