



E-invoicing maintains consistent and compliant records, making businesses well-prepared for any potential audits.

## WHY BUSINESSES SHOULD TRANSITION TO E-INVOICING

Malaysia's digital tax initiative presents strategic benefits for local businesses

THE shift to e-invoicing in Malaysia, led by the Inland Revenue Board (LHDN), represents a leap towards digitalisation, bringing key advantages for businesses in Malaysia.

It not only aligns with global standards but also provides valuable data insights and supports tax compliance, delivering transformative benefits for businesses.

In a time where digital solutions are becoming the norm, countries worldwide are adopting e-invoicing to enhance transparency, streamline operations and ensure compliance.

Since the system became mandatory through a phased implementation timeline on Aug 1, businesses in Malaysia – with an annual turnover of RM100mil – along with other forward-thinking companies, have started the transition to e-invoicing, which enhances their credibility in global markets.

The adoption of e-invoicing showcases a commitment to modern practices, which could prove essential when working with international partners or clients who expect standardised digital procedures.

For businesses looking to expand or maintain strong partnerships, the system's compliance is both a strategic advantage, as well as a means to future-proof operations in a globalised economy.

### Enhanced data analytics and compliance

One of the biggest advantages of switching to e-invoicing is having direct insights into financial transactions.

This is especially beneficial for large businesses, as it promotes tax compliance by establishing a system for more accurate and transparent transaction records, ensuring financial processes are properly documented and reported.

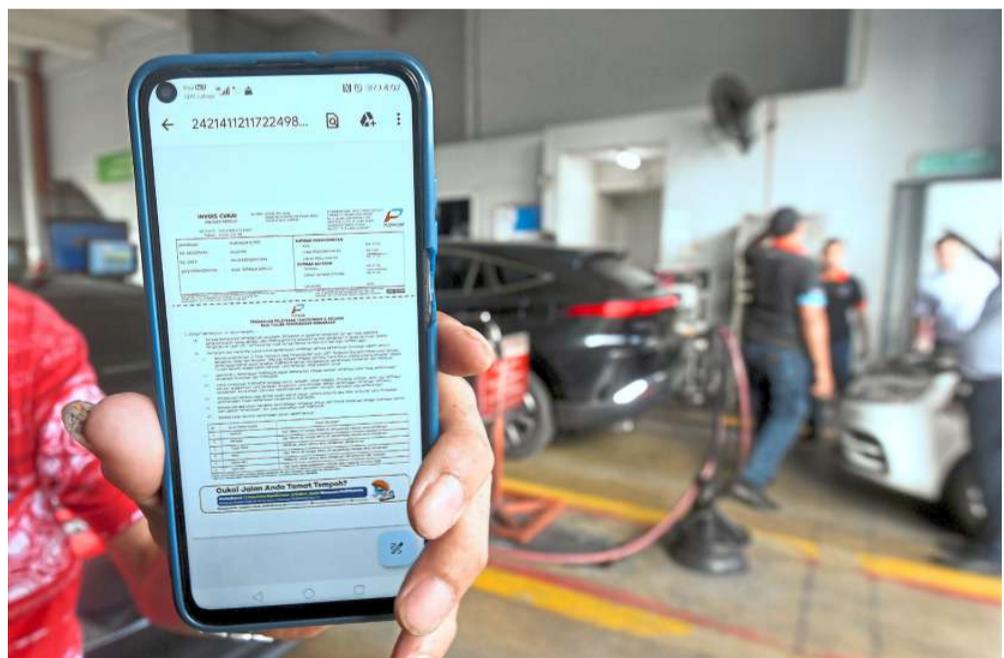
Large businesses that rely on complex financial data will also benefit from e-invoicing as it provides precise records, which can seamlessly feed into their analytical tools.

This integration enables businesses to effortlessly monitor their financial health, which in turn, will help executives make data-driven decisions confidently.

Additionally, tax compliance is a top priority for large businesses, which is why even minor errors in reporting can lead to costly fines or audits.

The adoption of e-invoicing simplifies compliance by automating parts of the tax reporting process, which reduces human error and ensures that records align with LHDN's standards.

This ensures that companies maintain consistent and compliant records, making them well-prepared for any potential audits.



One of the biggest advantages of switching to e-invoicing is having direct digital insights into financial transactions. – AZHAR MAHFOF/The Star

It may also reduce the administrative burden associated with preparing for audits, as the system continuously maintains accurate documentation of records.

For businesses, e-invoicing can be a valuable tool for managing risk, safeguarding against tax issues and facilitating seamless operations.

### A smart move

As the country embraces digital transformation, high-income businesses must stay competitive by adopting the e-invoice system, as it offers

alignment with global standards, real-time data insights and stronger tax compliance.

As the adoption of e-invoicing progresses, LHDN is committed to supporting businesses through the transition.

Businesses can consult with the organisation to learn more about the benefits of e-invoicing and facilitate a seamless, cost-effective integration process, ensuring that their systems are e-invoice-ready.

By consulting with LHDN, companies can integrate the e-invoice system with ease and explore incentives that encourage early adoption.

Transitioning to the system is a smart move for businesses looking to modernise their operations, protect against compliance risks and thrive in today's digital economy.

Enhance tax compliance by digitising your business with e-invoice.



Scan the QR code for more information.