



**IMPLEMENTATION OF E-INVOICE IN MALAYSIA**  
**FREQUENTLY ASKED QUESTIONS (FAQs)**  
(UPDATED ON 13<sup>TH</sup> OCTOBER 2023)

**PART 1: GENERAL FREQUENTLY ASKED QUESTIONS**

**1. Is e-Invoice applicable to transactions in Malaysia only?**

No, e-Invoice is applicable to both domestic and cross-border transactions. The cross-border transactions include import and export activities.

For clarity, the compliance obligation is from the issuance of e-Invoice perspective. In other words, taxpayers who are within the annual turnover or revenue threshold as specified in Section 1.5 of the e-Invoice Guideline are required to issue and submit e-Invoice for IRBM's validation according to the implementation timeline.

**2. Will there be any engagement sessions with IRBM?**

IRBM 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 including:

- a) Sharing the planning of action plans, strategies, and status developments regarding the implementation of e-Invoice; and
- b) Obtaining feedback and views through two-way communication between IRBM and taxpayers on the implementation of e-Invoice.

**3. Who should we reach out to if there are queries or concerns?**

For any queries regarding the e-Invoice implementation in Malaysia, kindly send an email to [myinvois@hasil.gov.my](mailto:myinvois@hasil.gov.my)

**4. What e-Invoice model will be adopted?**

IRBM will adopt the Continuous Transaction Control (CTC) Model where the validation is done in near real-time by IRBM.

**5. What are the thresholds for e-Invoice implementation to be applicable to taxpayers?**

All taxpayers are required to implement e-Invoice according to the annual turnover or revenue thresholds.

In relation to a company, the annual turnover or revenue threshold refers to the annual turnover or revenue value as stated in the statement of comprehensive income in the FY22 Audited Financial Statements.

Refer to Section 1.5 of the e-Invoice Guideline for further details.

**6. Are all industries included in the e-Invoice implementation? Are there any industries exempted?**

Currently, there are no industries that are exempted from the e-Invoice implementation.

Note that certain persons and types of income and expense are exempted from e-Invoice implementation. Refer to Section 1.6 of the e-Invoice Guideline for further details.

**7. Will all businesses be required to issue e-Invoice?**

Yes, all businesses will be required to issue e-Invoice in accordance to the phased mandatory implementation timeline, which is based on the business' annual turnover or revenue threshold.

**8. Is there any adjustment window allowed to the supplier to cancel an invoice submitted to IRBM?**

Yes, there is a 72-hour timeframe for the e-Invoice to be cancelled by the supplier. Refer to section 2.4.6 of the e-Invoice Guideline for further details.

**9. Will IRBM provide any technical guidance on system integration?**

Yes, a Software Development Kit (SDK) will be provided to facilitate system integration.

**PART 2: SCOPE AND PROCESS FREQUENTLY ASKED QUESTIONS**

**10. How do taxpayers issue an e-Invoice to a non-TIN holder such as foreign (non-Malaysian) buyers?**

Suppliers are required to obtain buyer's details from the foreign buyers for the purposes of e-Invoice issuance.

In relation to TIN to be input in the e-Invoice, supplier may use "E10000000020" for foreign buyers without TIN. Refer to Section 10.5 of the e-Invoice Specific Guideline for further details.

**11. What is the timeframe to issue e-Invoice adjustments (i.e., debit note and credit note) after the 72-hours validation period?**

There is no timeframe restriction for suppliers to issue e-Invoice adjustments. Taxpayers may follow their respective company policy for any e-Invoice adjustments.

As foreign suppliers and/or buyers generally do not use MyInvois System, any e-Invoice adjustments would be done through issuance of debit note, credit note, and refund note e-Invoice.

**12. Prior to full implementation, there may be suppliers who do not issue e-Invoice as they have not reached the mandatory implementation phase / date. In this situation, will IRBM accept normal invoices issued by these suppliers?**

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 has been in place.

**13. Does the MyInvois Portal allow for e-Invoice to be created and stored in draft form prior to finalisation and issuance?**

Yes, the supplier will be able to create e-Invoice in draft or proforma. e-Invoice will only be accepted for tax purposes once the validation is successful.

**14. Does the MyInvois Portal allow for editing of information after the e-Invoice has been verified by IRBM?**

No, the supplier would need to cancel the e-Invoice within 72 hours from time of validation and reissue a new e-Invoice.

Any changes after 72 hours from time of validation would require the supplier to issue a new e-Invoice (i.e., debit note, credit note, refund note e-Invoice) to adjust the original e-Invoice issued. Thereafter, a new e-Invoice would be required to be issued accordingly.

**15. What does IRBM validate in the e-Invoice?**

IRBM validation includes a series of checks to ensure the e-Invoice submitted to IRBM conforms to the e-Invoice format and data structure as specified by IRBM. Refer to section 2.4.3 of the e-Invoice Guideline for further details.

**16. Will the supplier's invoice number remain in the invoice document or will a different invoice number be assigned by IRBM upon the return of the validated e-Invoice to the supplier?**

The supplier's invoice number will remain as a separate field in the same invoice document for the purpose of the supplier's internal reference and tracking.

Upon validation, the supplier will receive a validated e-Invoice, together with date and time of validation, validation link and a Unique Identifier Number assigned by IRBM.

**17. Is an e-Invoice required for disbursements and reimbursements?**

An e-Invoice may be required for disbursements and reimbursements, subject to the situation. Refer to Section 5 of the e-Invoice Specific Guideline for further details.

**18. Is an e-Invoice required for return of monies to buyers?**

Yes, a refund note e-Invoice is required for return of monies to buyers, with the following exception:

1. Payment made wrongly by buyers
2. Overpayment by buyers
3. Return of security deposits

**19. In relation to acquisition of goods from foreign suppliers, when will the Malaysian buyers be required to issue a self-billed e-Invoice?**

The Malaysian buyers are required to issue a self-billed e-Invoice once RMCD's clearance is obtained on the imported goods. The buyers would have to include the appropriate details as listed in the e-Invoice annexure on importation of goods.

**20. Is there a registration requirement for technology providers to participate in the implementation?**

There is no registration requirement at this juncture. However, technology providers are responsible to ensure the functionality and reliability of their API integration with IRBM.

**21. Do technology providers need to apply for a certification in Malaysia in order to provide the CTC e-Invoice solution?**

Not at this juncture. However, this may change in the future. Kindly refer to IRBM's Official Portal for any latest updates on the latest position.

## **PART 3: SYSTEMS, DATA SECURITY AND PRIVACY FREQUENTLY ASKED QUESTIONS**

### **22. Does Personal Data Protection Act 2010 govern the processing of e-Invoice?**

Yes, it does. The Personal Data and Protection Act 2010 governs the processing of personal data concerning commercial transactions.

Personal information such as name, address and email address details are commonly collected and processed online. The collection and processing of personal data are permitted on the condition that consent is obtained from the data subject. This is supported by the General Principle as set out in Section 6(1) of the Personal Data and Protection Act 2010, which states that a data user shall not process personal data, that is other than sensitive personal data, regarding the owner of the data unless the owner has given his consent to the processing of the personal data.

For the purposes of e-Invoice issuance, taxpayers are required to obtain consent from their customers accordingly.

### **23. Does the API solution offer security and encryption services?**

Yes, through the necessary Network & Security monitoring tools to ensure data security and privacy. Additionally, the API solution will utilise industry standard encryption protocol to ensure information transmitted remains confidential and secure.

### **24. How would IRBM monitor and audit the e-Invoice data security and privacy?**

IRBM adopts a high standard of data security in managing data of taxpayers. These are the steps that will be taken in monitoring and auditing the e-Invoice data security and privacy:

1. IRBM will assess the data protection needs – Before IRBM starts monitoring and auditing the e-Invoice data security and privacy, IRB will identify what kind of data that IRB collects, processes, stores, and shares through the e-Invoice system. By having that process in place, IRBM will always understand the legal and contractual obligations that apply to the data, such as data privacy laws or specific industry standards. From the data protection needs, IRBM can define the data security and privacy policies and objectives.
2. Implementation of data protection controls – In order to protect the e-Invoice data from unauthorised access, modification, loss, or disclosure, IRBM will implement appropriate technical and organisational controls. These may include encryption, authentication, access control, backup, firewall, antivirus, and logging.
3. Monitoring and auditing data protection performance and incidents – This can be done by benchmarking the performance against the objectives and industry best practices and reporting, investigating, resolving, and learning from any data breaches, errors, complaints, or violations that may affect the e-Invoice data.
4. Review and improve the data protection practices – IRBM will use the results of the monitoring and auditing activities to identify any gaps, weaknesses, or opportunities for improvement in the data protection policies, controls, performance, or incidents.

### **25. Is there any specific application required to scan the QR code?**

The QR code will only contain a link to the validated e-Invoice. Hence, any device (e.g., mobile camera, QR code scanner application) capable of scanning a QR code will be able to scan the QR code.

**26. What are the measures taken by IRBM in protecting the confidentiality of e-Invoice submitted to IRBM?**

IRBM will ensure that the data are always secured by complying with *Dasar Keselamatan ICT LHDNM* and *Surat Pekeliling Am: Garis Panduan Pengurusan Maklumat Melalui Perkomputeran Awan (Cloud Computing) Dalam Perkhidmatan Awam*.

To protect e-Invoice from unauthorised access, modification, loss, or disclosure, IRBM will comply to industry standards and implement appropriate cybersecurity measures including encryption, authentication, access controls, firewalls, and more.

Additionally, IRBM will ensure that the system is in compliance and certified with ISO/IEC 27001 Information Security Management System (ISMS) and ISO 22301 Business Continuity Management System (BCMS)

**27. What is the file format sent to IRBM for validation purposes?**

Supplier must generate e-Invoice in XML or JSON file format to IRBM for validation purposes.

**28. Can a company use a combination of transmission mechanisms (API and MyInvois Portal)?**

Yes. Taxpayers are recommended to perform reconciliation to ensure no duplication of e-Invoice submitted to IRBM.

**29. What is the workaround in the event that the MyInvois System is down?**

System will be available 99.97% of the time. However, in the event that IRBM's system is down, suppliers are given 72 hours to issue an e-Invoice once system is available. A retry mechanism shall be implemented in supplier's system to submit the e-Invoices once the system is available.

As for MyInvois Portal, supplier should periodically check the portal to determine if it is back online. Refer to section 14.4 of the e-Invoice Specific Guideline for further details.

**30. Can taxpayer adopt the Peppol Network as the transmission mechanism for e-Invoice?**

Taxpayers are allowed to select any transmission method that is most suited to their business nature and preference. Any access point in the market that can comply to IRBM's API requirements are welcomed. Refer to Section 2.2 of the e-Invoice Guideline for further details.

**31. Is MyInvois Portal able to accept large volume of e-Invoices from taxpayers?**

MyInvois Portal supports both individual and batch e-Invoice generation through spreadsheet upload for processing multiple transactions.

MyInvois System will undergo testing with actual estimated volume of e-Invoices before its go-live. Additionally, it is designed to scale up additional computing resources as and when required.