



**IMPLEMENTATION OF E-INVOICE IN MALAYSIA**  
**FREQUENTLY ASKED QUESTIONS (FAQs) FOR PETROLEUM OPERATIONS**  
(UPDATED ON 18 JANUARY 2024)

No	Question	Response
1.	When contractor of a Production Sharing Contract (PSC) sells crude oil to buyer, which Tax Identification Number (TIN) should be used as Supplier's TIN (and the corresponding Supplier's details)?	<p>As the sale is between the contractor and the buyer, contractor's TIN assigned for Income Tax Act 1967 (ITA 1967) purposes should be used as the Supplier's TIN, along with the corresponding contractor's details as the Supplier's details, when an e-Invoice is issued.</p> <p>Note that contractors are required to input the applicable coding for classification (as outlined in the e-Invoice data catalogue) in the said e-Invoice to the buyer to indicate that such transaction is in relation to petroleum operations as defined in Petroleum (Income Tax) Act 1967.</p>

No	Question	Response
2.	<p>Which TIN should be used as the Buyer's TIN for costs incurred in relation to petroleum operations?</p> <p>(i) Joint costs</p> <p>(ii) Sole costs</p>	<p>(i) In relation to joint costs, PSC operator's TIN assigned for ITA 1967 purposes should be used as the Buyer's TIN.</p> <p>(ii) In relation to sole costs, the contractor's TIN assigned for ITA 1967 purposes should be used as the Buyer's TIN, given that the said expense is incurred solely for the said contractor.</p> <p>IRBM acknowledges that there may be challenges in issuing e-Invoice for recharge of joint costs in relation to petroleum operations to respective PSC. In this regard, PSC operators and/or contractor are exempted from issuance of e-Invoice in relation to recharge of joint costs in relation to petroleum operations until further notice.</p>
3.	<p>In the case where several PSCs are located in the same area of operation (i.e., contiguous block), which TIN should be used as</p> <p>(i) Supplier's TIN (for sale of crude oil)</p> <p>(ii) Buyer's TIN (for costs incurred for petroleum operations)</p>	<p>(i) Supplier's TIN: The TIN number assigned to the contractor for ITA 1967 purposes should be used as the Supplier's TIN in the said e-Invoice.</p> <p>(ii) Buyer's TIN: For joint costs, the contiguous PSC operator's TIN assigned for ITA 1967 purposes should be used as the Buyer's TIN.</p> <p>In relation to sole costs incurred by contractors of contiguous PSC, the contractor's TIN assigned for ITA 1967 purposes should be used as the Buyer's TIN.</p>

No	Question	Response
4.	Would e-Invoice be required for inter-ledger transactions between PSC and operator of PSC (e.g., back charge)?	IRBM acknowledges that there may be challenges in issuing e-Invoice for inter-ledger transactions in relation to petroleum operations between PSC and operator of PSC. In this regard, e-Invoice would be exempted for inter-ledger transactions in relation to petroleum operations until further notice.
5.	What should be the e-Invoice arrangement if contractor(s) of PSC concluded a sale of crude oil via an agent?	<p>Current invoicing arrangement would be applicable upon implementation of e-Invoice.</p> <p>For example, if the contractor sells the petroleum product to the agent and the agent onwards sells the products to the buyer, the contractor should issue an e-Invoice to the agent, and the agent should issue an e-Invoice to the buyer.</p>
6.	Would operator of PSC be allowed to issue e-Invoice on behalf of contractor(s) under Upstream Gas Sales Agreement upon e-Invoice implementation?	<p>PSC operator is allowed to issue e-Invoice on behalf of contractor for the sale of gas under the Upstream Gas Sales Agreement, in line with the current invoicing arrangement. For e-Invoice issuance purposes, contractor's details should be used as the Supplier's details.</p> <p>Note that the e-Invoice would only appear in the respective contractor's MyInvois portal upon validation (i.e., not appearing in the Operator's portal).</p>
7.	What is the e-Invoice treatment for supplementary payment (base price increase in every production anniversary)?	<p>Current invoicing arrangement would be applicable upon implementation of e-Invoice.</p> <p>Note that for any true up or true down would be done via issuance of debit note or credit note e-Invoice.</p>
8.	Are cash call and joint interest billing (JIB) in scope for e-Invoice?	As cash call and JIB are methods for settlement, no e-Invoice would be required.