



IMPLEMENTATION OF E-INVOICE IN MALAYSIA
FREQUENTLY ASKED QUESTIONS (FAQs) FOR CONSTRUCTION INDUSTRY
(UPDATED ON 6 JANUARY 2026)

No.	Question	Response
1.	Would an e-Invoice be required for charges to sub-contractors, including penalties?	Yes, an e-Invoice is required to be issued by contractors (as defined in the Income Tax (Construction Contracts) Regulations 2007) for charges to sub-contractors.
2.	What is the e-Invoice treatment for progress claim on a construction of a property?	Under the circumstance that a certification of work done is not required, contractor is required to issue an e-Invoice in relation to the progress claim on the construction of property to substantiate the income generated. Where a certification of work done is required, the e-Invoice can be issued upon obtaining the certificate.

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3.	There may be circumstances where the main contractor will purchase materials on behalf of the owner. Under such situation, the main contractor will purchase the materials from vendors / sellers / traders. Thereafter, the contractor will include the said purchases in its progress billing to the owner. Upon the implementation of e-Invoice, will the same arrangement continue to apply or will the main contractor be required to modify its current processes?	Main contractor is allowed to continue their current billing arrangement. With the implementation of e-Invoice, the invoices issued by the main contractor will need to be e-Invoices.
4.	Company A intends to sell construction materials to related companies. If Company A is mandated to implement e-Invoice in Phase 1 of the implementation timeline, should they issue e-Invoices to the related companies?	Where the related companies request for an e-Invoice to be issued, Company A is required to issue the e-Invoice for the construction materials sold. Where the related companies do not request for an e-Invoice, Company A may issue receipt for the transaction and subsequently aggregate all the receipts for issuance of consolidated e-Invoice within seven (7) calendar days after the month end. Please refer to Section 3.5 and 3.6 of the e-Invoice Specific Guideline for more guidance on issuance of e-Invoice.