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Malaysia

E-Invoice in Malaysia

The Inland Revenue Board of Malaysia (IRBM) will carry out the implementation of e-Invoice in Malaysia in phases from 1 August 2024 based on annual turnover reported in a business' audited financial statements or tax returns for 2022. All individuals and legal entities are required to comply with e-invoicing requirements. The definition of legal entities is broad and include trusts, partnerships, associations, and co-operatives.

E-invoicing refers to the digital exchange of information from a business's system (e.g., billing system, ERP, etc.) and a third-party system. The third-party system validates the data sent to verify its accuracy, enabling greater efficiency and transparency. The third-party system can be an independent system or one controlled by the government/tax authority. The model that the IRBM is seeking to implement is the latter, where it would build and own its own infrastructure that would receive and validate the data. This model is commonly referred to as the Continuous Transaction Controls (CTC) or hard clearance model.

The IRBM has issued guidelines on e-Invoice on 21 July 2023 and subsequent updates to the guidelines. The guidelines have been further updated with the release of [e-Invoice Guideline Version 2.3](#) and [e-Invoice Specific Guideline Version 2.1](#), both dated 6 April 2024. The IRBM has also issued an updated [Software Development Kit \(SDK\) Version 1.0](#) on 6 April 2024. The SDK is a collection of tools, libraries, and resources providing a set of functionalities, Application Programming Interfaces (APIs), and development guidelines to

assist businesses in integrating their existing system to the MyInvois System via API.

Existing business process will need to be reviewed and updated to meet these new requirements. It is unlikely that standard billing systems and/or ERP systems would be able to support the IRBM's requirements as part of their standard solution. Businesses will need to either develop their own in-house solution or engage a third-party middleware provider to facilitate the connection to the IRBM.

How can Deloitte help?

Deloitte has supported and are supporting clients with their transition to e-invoicing across various jurisdictions. We have assembled a team that can leverage on their regional experience, working together with subject matter experts (e.g., indirect tax) to assist our clients through the relevant business processes.

We have developed our own tools which can act as a middleware or provide the processing of e-invoice as a SaaS model.



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