

E-invoice FAQ

1. What is an e-Invoice?

An e-Invoice is a digital representation of a transaction between a supplier and a buyer, formatted in a structured, machine-readable manner. It is a file created in the format specified by the IRBM (i.e., in XML or JSON file format) and not in the form of PDF, JPG etc.

2. What is the e-Invoice file format acceptable by IRBM for validation purposes?

The e-Invoice must be generated in the form of XML or JSON file format, in accordance with the requirements outlined by the IRBM.

3. How can taxpayers start preparing for the e-Invoice implementation?

When implementing e-Invoice, the three (3) primary factors to consider are:

- **Admin/Account/Human Resources:** Businesses are advised to assemble a dedicated team equipped with the necessary expertise and capabilities to prepare for the implementation.
- **Business processes:** Conduct a comprehensive review of the current process and procedures in issuing invoice transaction documents.
- **Technology and systems:** Confirm the availability of the necessary resources, data structures and existing IT capabilities to ensure the systems in place comply with the e-Invoice requirements.

4. When is the e-invoice start date for businesses in Malaysia?

Phase 1 - 1st August 2024- Businesses turnover above RM100million.

Phase 2 - 1st January 2025 - Businesses with turnover RM25million - below RM100million.

Phase 3 - 1st July 2025 - All Taxpayers.

5. How much information is needed to complete an e-invoice transaction?

55 data fields, under 8 categories.

6. Are the buyers required to provide their relevant details to the supplier for the issuance of e-Invoices?

Yes, where the buyers request for an e-Invoice to be issued, the buyers are required to share their details to the supplier for the purposes of issuing e-Invoice

7. What process is involved in an e-invoicing transaction?

- E-invoicing issuance by seller
- E-invoicing submission by seller
- Validation process by IRBM Server

8. Which sectors are mandatory to issue e-invoice to buyers?

- Automative.
- Aviation.
- Luxury goods and Jewellery.
- Construction.
- Wholesalers and retailers of construction materials.
- Licensed betting and gaming. (4WD)
- Payments to agents, dealers and distributors. (Insurance agents & influencer)

9. Types of e-invoice transactions?

i. Standard: Invoice, Credit Note, Debit Note, Refund Note

- Suppliers will need to submit e-invoice to IRBM for any business activities with buyers that require e-invoice.
- Supplier to create the invoice and submit through MyInvois portal manually or via API using their PMS.
- After submission, the IRBM system will check if all requirements such as mandatory fields are provided before validating this e-invoice.
- Once validated by IRBM, a QR code will be returned to the supplier and the supplier can share this e-invoice to the buyer.
- The QR code purpose is for the buyer to ensure that the e-invoice is validated by IRBM, to avoid receiving faulty or "illegal" invoice.
- The buyer can request for cancellation for the e-invoice, with valid reasons.
- Any request for cancellation should be done within 72 hours after the e-invoice is validated.
- If the supplier accepts the cancellation, the supplier should perform a cancellation of e-invoice from their end.

- Any request of cancellation if not responded by the seller by the 72 hours timeframe will be deemed as accepted, meaning the e-invoice is valid as the previous submission.
- Any adjustment required after 72 hours timeframe will have to undergo issuing Debit Note or Credit Note.

ii. Consolidate: Invoice

- Consolidated e-invoice applies to buyers that do not need e-invoice (usually B2C).
- Examples of such business are retail stores, where normal receipts/bills/invoices are used.
- It aggregates or summarizes transactions of the month into a single e-invoice specified format by IRBM.
- If you have multiple branches or locations, each must submit a consolidated e-invoice of its own.
- When consolidated, receipt/bill/invoice reference number must be included in the "Description" field.
- Such consolidated e-invoice must be submitted to IRBM within 7 days of the following month.

iii. Self billed: Invoice, Credit Note, Debit Note, Refund Note

- Self-billing e-invoice is allowed in certain scenarios where the supplier party is not necessary to issue e-invoice to the buyer. This will then result in the buyer having to practice self-billing on behalf of the supplier.
- When the buyer issues a self-billed e-invoice and submits to IRBM for validation, this validated e-invoice will be used as a proof of expense for tax purpose.

10. How can I prepare to manage e-invoice for my property?

- Attend as many as possible e-invoice trainings & seminar
- Obtain individual & company TIN number in Mytax portal.
- Setup Client ID & Secret ID in Myinvois portal.

11. How can I manage my e-Invoices?

There are 2 mechanisms accepted by IRBM:

- Through the MyInvois Portal
- Application Programming Interface (API).

12. Can I “skip” E-Invoice?

No. Skipping e-Invoicing when it is mandatory, could result in penalties, fines, or other legal consequences, under INCOME TAX ACT 1967, S.120(1).

13. Do all guests need E-Invoice?

No. E-invoice is only required by any taxpayer who came for a business trip/company trip.

14. For those guests who book at Agoda, who should they liaise with for E-Invoice? Hotel or Agoda?

Agoda

15. How about guests from Booking.com?

For Booking.com, if the guest chooses to pay at the hotel, the hotel is responsible to issue an e-invoice to the guest that requested the e-invoice.

16. What if my guest makes the booking via my website direct booking engine? Do I need to generate E-Invoice to guests?

Yes, if the guest requests for an e-invoice.

17. Can I use MyInvois Portal to create E-Invoice for guests? If yes, what is the difference between MyInvois Portal and eZee E-Invoice Module?

Yes, you can. However, if you use Myinvois Portal to create e-invoice for guests, the process will be more tedious and manual compared to the eZee e-invoice module, where you can integrate and link with your data from our PMS, eZee Absolute.

18. Do I need to submit my sales to LHDN/IRBM every month?

Yes. You need to submit sales at the end of every month, before the 7th of the following month.

19. Ali checked out on 28th May with a normal invoice. What if Ali comes back to the hotel on 15th June and requests for E-Invoice?

Since he came back after the 7th of the month after his stay, the hotel has the right to decline the request as the hotel has already proceeded to consolidate e-invoice. However, subject to the hotel's internal policy, if the hotel would like to accommodate Ali, then, they may issue a credit note to adjust the consolidated e-Invoice for the relevant purchase amount. A new e-Invoice can then be generated for LHDNM's validation and provided to the Buyer.

20. My annual turnover is not more than RM150k. Is my company exempted from E-Invoice?

Your company is exempted from e-invoice, but if you do not implement e-invoice, you may lose competitive advantage resulting in a decrease in your property revenue.

21. If I have a referral who always refers sales to me, and I give 15% commission for this, should I give E-Invoice?

No. Referrals are responsible to submit under self billing.

22. When can guests request E-Invoice? Can guests request it before check-in?

Guests are able to request e-invoice upon check out.

23. What Happens if a Guest Misses the Deadline for Requesting an E-Invoice?

No e-invoice will be issued to them.

24. What if a guest requests to modify the details after the e-invoice has been issued?

If the request is made within 72 Hours: CANCEL & CREATE NEW. If after 72 Hours - use Credit Note/Debit Note.

25. Does a hotelier need to submit e-invoice if a guest turns NO SHOW with a PENALTY charge?

If the guest pays directly to the hotel, yes, if they request it. If from OTA, no need.

25. Does e-invoice need to be issued for Advance Payment?

No.

- 26. How will the e-invoice be generated for Group Booking? Eg: A representative from COMPANY ABC and a representative from COMPANY DEF, 2 rooms were made under a guest name , however both need to claim under their own company.**

For this case, e-invoice will be issued under guest name.

- 27. How should a hotelier submit the consolidated invoice for those transactions that happen between crossed months?**

Hotelier to submit by referring to the date of check out.