

# FAQ: Your Malaysia Mandate Questions Answered

## Q What is an e-invoice?

An e-invoice is a digital representation of a transaction between a supplier and a buyer that replaces all paper or electronic documents serving as invoices, credit notes and debit notes. Specifically, it is a structured file created in a defined format that can be automatically processed by the relevant systems. The e-invoice structure includes 53 mandatory fields and must be submitted in either XML or JSON format.

An e-invoice will contain the same essential information as per current practices, such as supplier's and buyer's details, item description, quantity, price excluding tax, tax, and total amount. Following the validation process, e-invoices must include an embedded QR code. PDFs, Doc, JPG and paper will not be considered as e-invoices.

## Q What is the process flow for e-invoicing in Malaysia?

### E-invoice issuance:

Taxpayers must submit e-invoices to the IRBM via the MyInvois portal or through a third-party e-invoicing software API in XML or JSON format.

Once submitted, the e-invoice is validated in real-time and a Unique Validation: Identification Number, validation link (QR Code) and PDF format of the cleared e-invoice are sent to the supplier.

### Validation notification:

The IRBM performs certain validation checks on the e-invoice structure and on taxpayers identification numbers and notifies the buyer and supplier of the validated invoice.

### E-invoice sharing:

Suppliers should share the validated e-invoice and a visual representation with a QR code embedded. The QR code allows buyers to validate the existence and status of the e-invoice via MyInvois. It's the supplier's responsibility to share the document with the buyer.

### Rejection or cancellation:

Optional rejection (buyer side) and optional cancellation (supplier side) requests have a 72 hour time limit, after which the invoice is considered valid. Any corrections or amendments made after the 72 hour limit will need to be made through credit, debit or refund notes.

### Transaction Summary:

A summary of the transaction can be viewed via the portal.

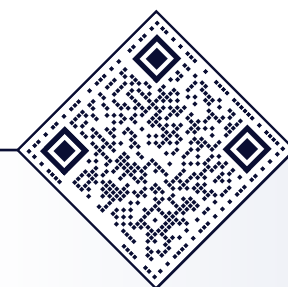
## Q What are the types of e-invoices in Malaysia?

In Malaysia, the e-invoice mandate covers the below document types:

- ◆ Invoice
- ◆ Credit note
- ◆ Debit note
- ◆ Refund invoice
- ◆ Self-billed invoice

## Q How do I set up e-invoicing and e-reporting in Malaysia?

Malaysia's e-invoicing mandate allows submission of e-invoices via a third-party API. Sovos' e-invoice and e-reporting compliance solutions are suitable for Malaysia and other international tax requirements. Speak with a Sovos or KPMG LLG expert to set-up e-invoicing in Malaysia.



## Q What is the e-invoicing authority in Malaysia?

The Inland Revenue Board of Malaysia (IRBM) is the e-invoicing authority in Malaysia. The IRBM is responsible for the MyInvois Portal, the platform used to submit, clear and validate e-invoices in the country.

## Q How will businesses use e-invoicing in Malaysia?

Taxpayers within scope of the e-invoicing mandate submit documents via the country's MyInvois Portal for validating, before sharing with the buyer. The real-time e-invoicing process saves time and resources for businesses and facilitates cross-border and international trade.

## Q What other countries mandate e-invoicing in Asia-Pacific?

Malaysia is one of many countries in [Asia Pacific to adopt e-invoicing](#) including, [China](#), [South Korea](#), Singapore, Japan and the [Philippines](#).



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- ◆ Real-time compliance monitoring from our 100+ legal analysts and regulatory experts around the world
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#### About Sovos

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