

Malaysia e-invoicing mandate: 3 things your organization needs to know to be compliant

From August 2024, e-invoicing in Malaysia will become mandatory for taxpayers with an annual turnover or revenue of more than RM100 million. The mandate will follow the [continuous transaction control](#) (CTC) model and will require e-invoices to be validated by the country's tax authority, as well as reporting certain transactions. Roll out to all other taxpayers undertaking commercial activities in Malaysia will follow in 2025.

1 Key requirements and regulations

Malaysian taxpayers with an annual turnover or revenue of more than RM100 million (approximately 20 million Euros) will be required to submit and clear e-invoices for certain transactions, beginning in August 2024.

Malaysia e-invoicing adopts a continuous transaction control (CTC) approach. E-invoices must be submitted and cleared via MyInvois, the e-invoicing portal of the Inland Revenue Board of Malaysia (IRBM).

The IRBM guidelines state that mandatory e-invoicing will be for specific sectors and transactions.

Sectors in-scope of mandatory e-invoicing include:

- Automotive
- Aviation
- Luxury good and jewelery
- Construction
- Licensed betting and gaming
- Payments to agents, dealers and distributors

Additionally, the mandate covers cross-border transactions, and the Malaysian party is required to issue a self-billed e-invoice to report any purchases made in cross-border transactions.

B2C transactions fall outside of the e-invoice mandate. Any e-invoices for transactions not in scope are subject to the buyer's request.

Malaysia B2B e-Invoicing At-a-Glance

CTC Type	E-invoice reporting
Network	E-invoices are processed via the MyInvois portal; however, they should be exchanged out-of-band
Format	XML or JSON
eSignature Requirement	E-signature is required for all e-invoices and local certificates must be used
Timeline	Phased implementation starting August 2024

2 Implementation timeline: Getting ready for August

From August 2024, mandatory e-invoicing and reporting in Malaysia will go into effect for taxpayers with an annual turnover or revenue of more than RM100 million (approximately 21 million US Dollars or 20 million Euros).

The mandate will be extended to taxpayers with an annual turnover or revenue of between RM25 million (approximately 5.2 million US Dollars or 5 million Euros) and RM100 million in January 2025.

Bookmark the Sovos [Malaysia e-invoicing system blog](#) for the latest updates to the Malaysian guidelines.

October 2022	November 2023	February 2024	August 2024	January 2025	July 2025
The Malaysian Ministry of Finance announces plans for e-invoicing pilot program for select taxpayers	Mandatory e-invoicing implementation timeline is delayed to August 2024	Inland Revenue Malaysia publishes Software Development Kit and e-invoicing guidelines	Mandatory e-invoicing and clearance in Malaysia for taxpayers with an annual turnover or revenue of more than RM100 million (approx. 20 million euros)	Mandatory e-invoicing for taxpayers with an annual turnover or revenue between RM25 million (approx. 5 million euros) and RM100 million	Mandatory e-invoicing for all taxpayers

3 Issuing e-invoices

To generate e-invoices, taxpayers must connect to the MyInvois platform. The authentication with the platform is done via credentials assigned by IRBM

While a grace period has been extended for the first six months post go-live once these penalties are levied they will quickly add up and result in huge sums for non-compliant businesses. [Read more here.](#)

The right partners to help you navigate global e-invoicing mandates

If you're like other global organizations, keeping up with e-invoicing mandates is a constant challenge. In partnering with KPMG LLG, we're making this process a whole lot easier wherever you do business.

By combining KPMG's experienced tax professionals with Sovos' automated 360-degree compliance platform covering more than 60 countries, we can handle all your global e-invoicing and digital reporting obligations globally.

Benefits to working with Sovos and KPMG

- An automated, streamlined e-invoicing process that meets evolving regulations
- A single, out-of-the-box solution to reduce invoicing complexity
- The ability to re-purpose resources on global expansion and revenue-generating business initiatives