LHDN
MALAYSIA

E-INVOICE
ILLUSTRATIVE GUIDE

Published on 1 September 2024

Disclaimer:
This illustrative guide aims to provide better understanding, improve e-Invoice compliance and administrative tasks towards e-Invoice implementation. It is issued for general information only and does not contain final advise or complete information pertaining to a particular topic. Taxpayers should not used it as a legal reference. Taxpayers also are advised to refer to the e-Invoice Guideline and e-Invoice Specific Guideline for more details information and guidance.

Table of Contents

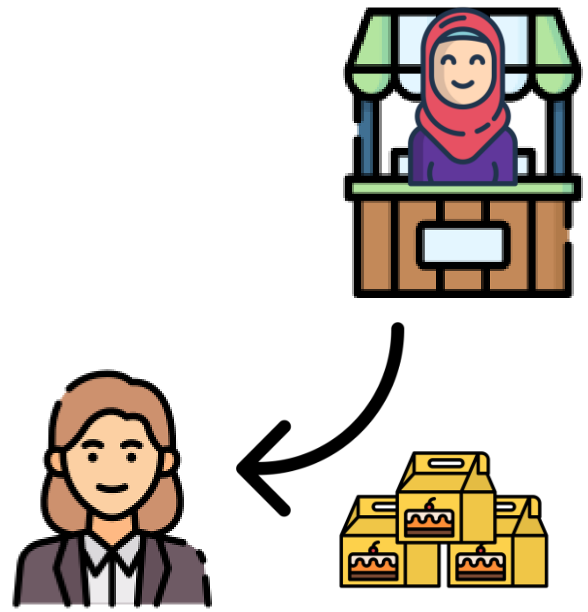
Transactions with Buyers

Upon implementation of e-Invoice, Sellers are required to provide e-Invoice for all transactions. However, certain Buyers may not require an e-Invoice.

This section aims to provide the different scenarios that Sellers may face when dealing with Buyers to aid Sellers in gaining a better understanding of certain e-Invoice treatment.

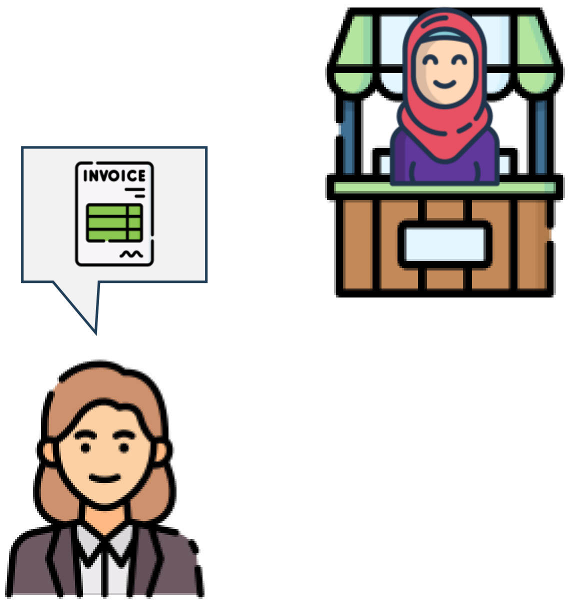
Illustration 1: MSMEs with annual revenue below the threshold are not required to issue e-Invoices

1



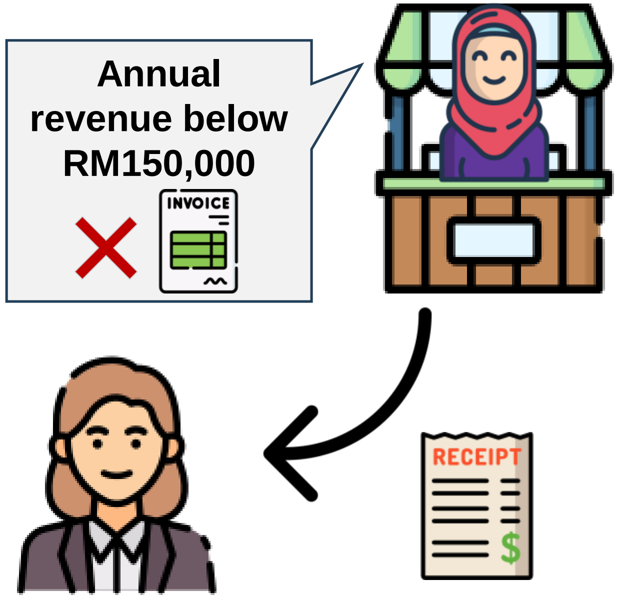
Tina purchases 50 boxes of *kuih* from Mak Cik Rosa for her company's meeting

2



Tina requests an e-Invoice from Mak Cik Rosa at point of sale

3



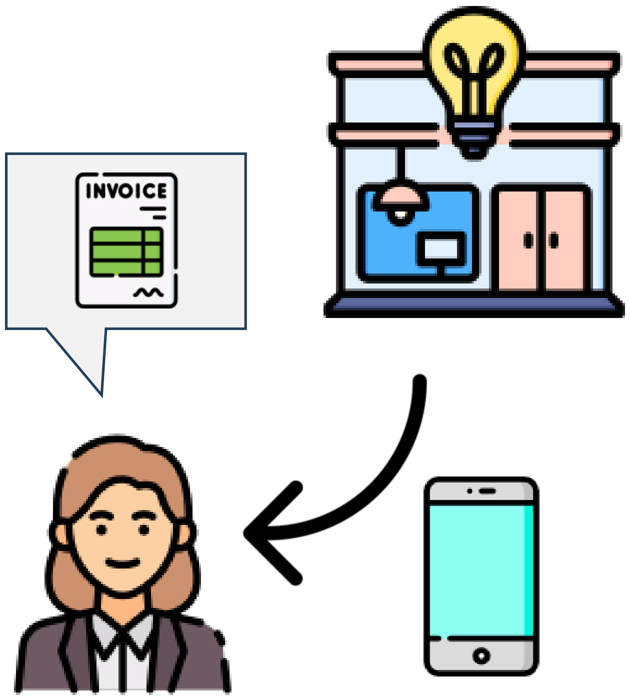
Mak Cik Rosa can issue a handwritten receipt for Tina (if requested). Mak Cik Rosa falls below the threshold[1] and is not required to issue an e-Invoice[2]

***Notes:**

1. According to Section 82 of the Income Tax Act 1967, every person who carries on a business in Malaysia has the duty to keep proper documentation and give receipts. Business with annual revenue exceeded RM150,000 (from sale of goods) or RM100,000 (from performance of services) is required to issue a printed receipt serially numbered for every transactions.
2. MSMEs with an annual income of below threshold can submit the e-Invoice on a voluntary basis.

Illustration 2: Buyers can request for an e-Invoice at point of sale

1

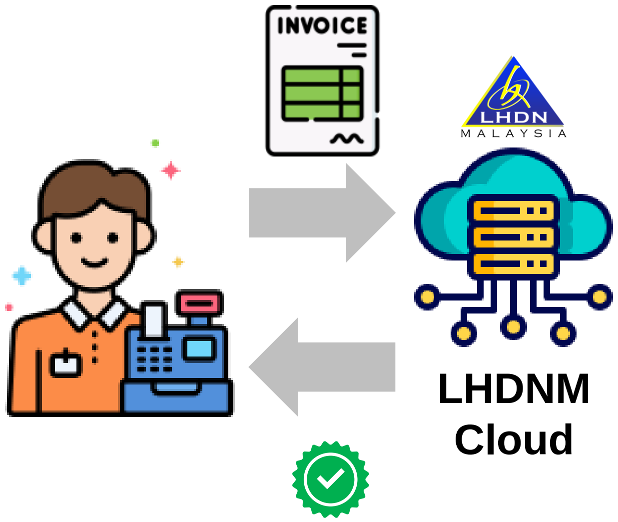


Tina buys a smartphone from Kedai Elektronik Smart Gadget and requests for an e-Invoice

2

Upon check-out, Bobby obtains Tina's details and scan the product with his POS system

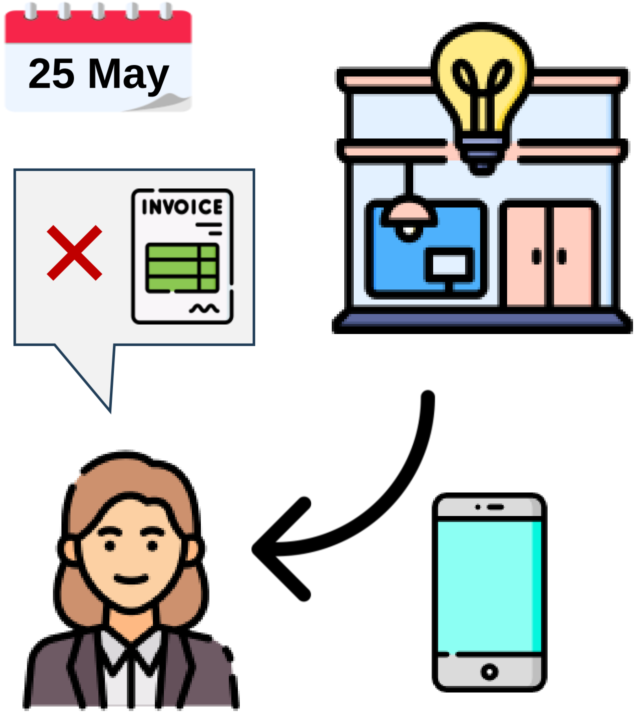
3



Bobby creates and submits an e-Invoice through his POS system (integrated via API) to LHDNM for validation

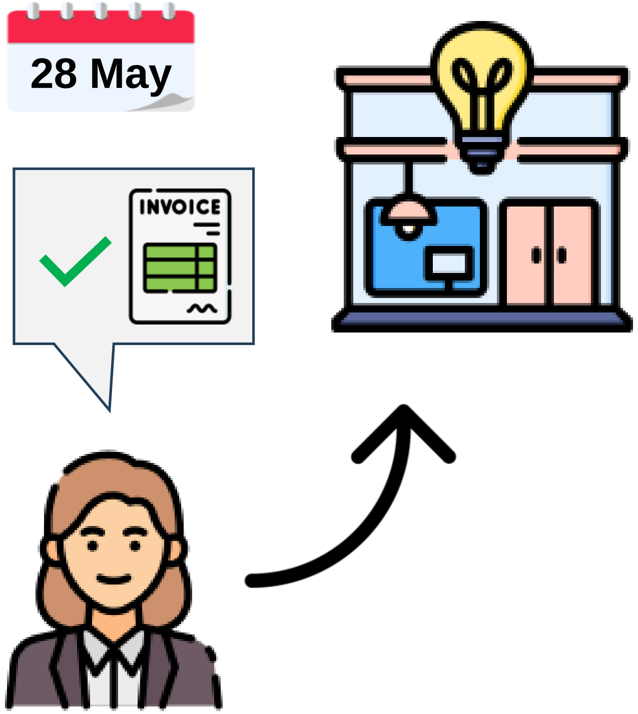
Illustration 3: Buyers can ask for an e-Invoice after point of sale, but before month-end of purchase

1



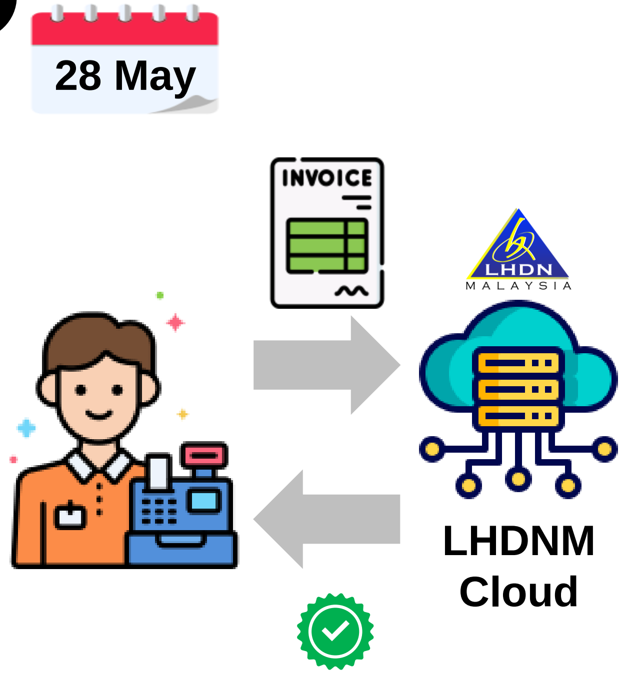
Tina buys a smartphone from Kedai Elektronik Smart Gadget and did not request for an e-Invoice

2



A few days later, Tina returns to Kedai Elektronik Smart Gadget to request an e-Invoice for the smartphone she purchased

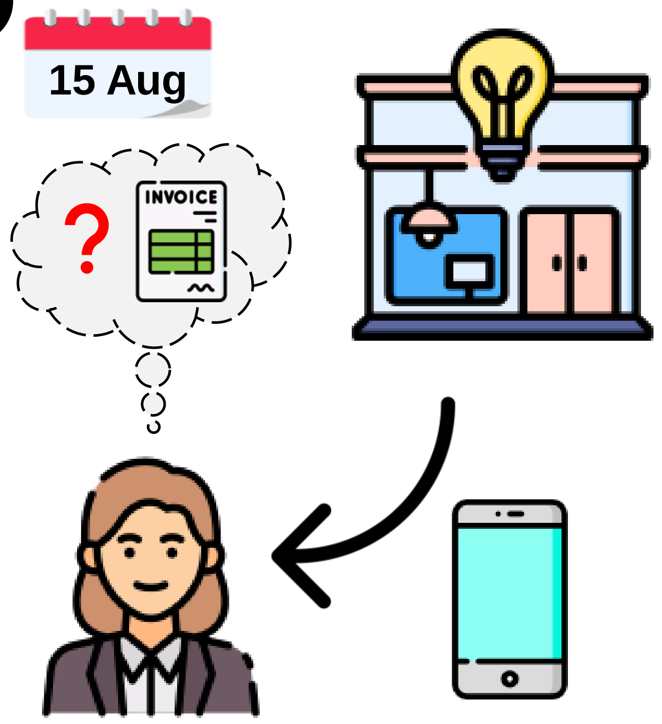
3



Kedai Elektronik Smart Gadget can create and submit an e-Invoice for Tina as the request was made within the month of purchase

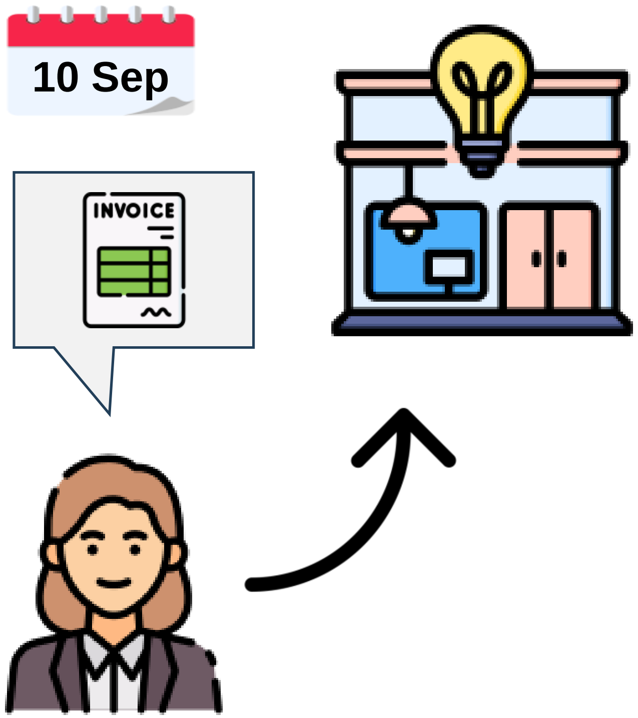
Illustration 4: Buyer requesting for e-Invoice after the month of purchase (subjected to the Seller's decision)

1



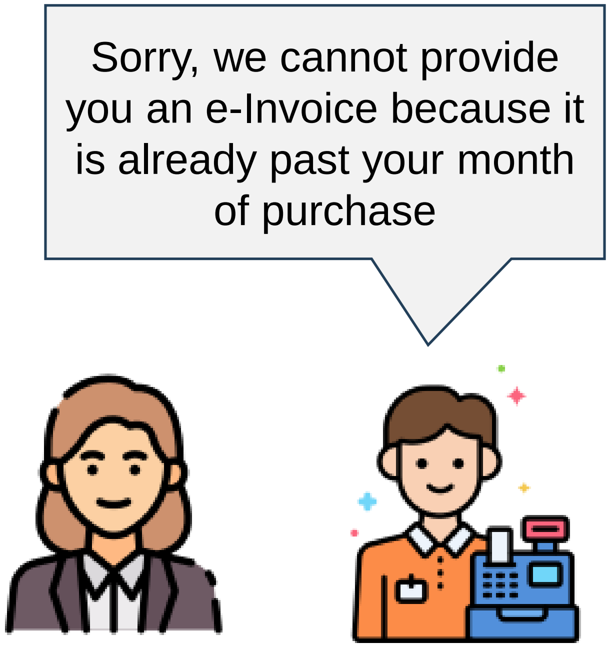
Tina buys a smartphone from Kedai Elektronik Smart Gadget on 15 August. She was in a hurry and forgot to request an e-Invoice.

2



On 10 September, she returned to Smart Gadget to request for an e-Invoice for the smartphone purchased

3



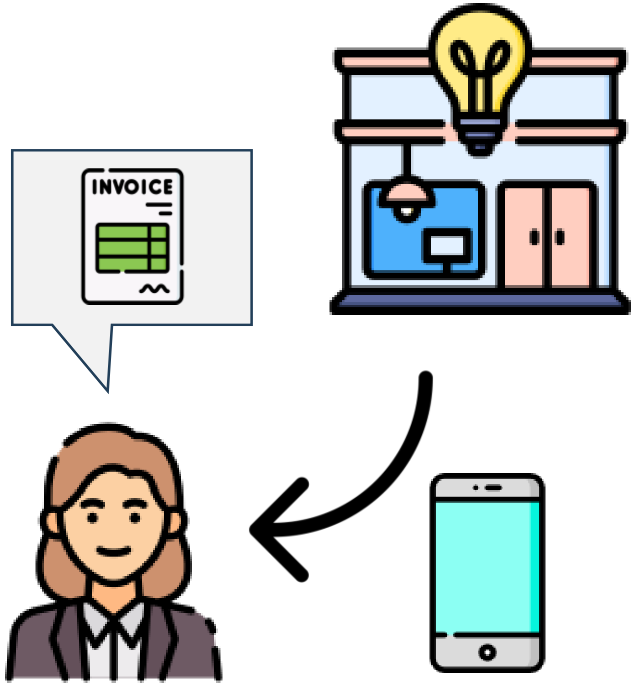
Smart Gadget decides it cannot provide Tina an e-Invoice, because they have already submitted[1] their consolidated e-Invoice for August

***Note:**

1. To accommodate the Buyer, the Seller also can submit a Credit Note to reduce the consolidated e-Invoice for the said purchased amount and issue a new e-Invoice for LHDNM's validation (subjected to the Seller's system and operation readiness)

Illustration 5: Malaysian individual Buyers have the option to provide TIN or Malaysian Identification Number upon creation of e-Invoice

1

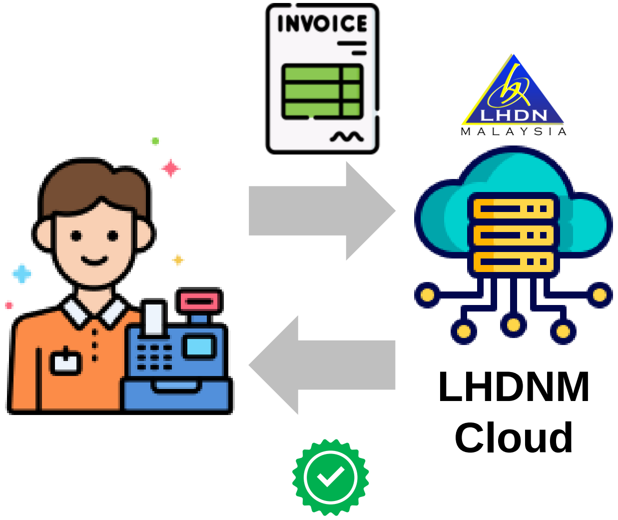


Tina buys a smartphone from Kedai Elektronik Smart Gadget and requests for an e-Invoice

2

Bobby, the owner, asks for Tina's TIN or MyKad[1] to complete the e-Invoice form

3



With Tina's details, Bobby creates the e-Invoice and submits it via the MyInvois Portal for validation

***Note:**

1. Malaysian individual Buyers are required to provide four (4) mandatory details (i.e., name, address, contact number, TIN or MyKad/ MyTentera identification number), as per Table 3.1 of the Specific Guideline

Illustration 6: Sellers are only required to fill up maximum of 6 data fields in the MyInvois Portal to create an e-Invoice

1

Bobby is the owner of Kedai Elektronik Smart Gadget

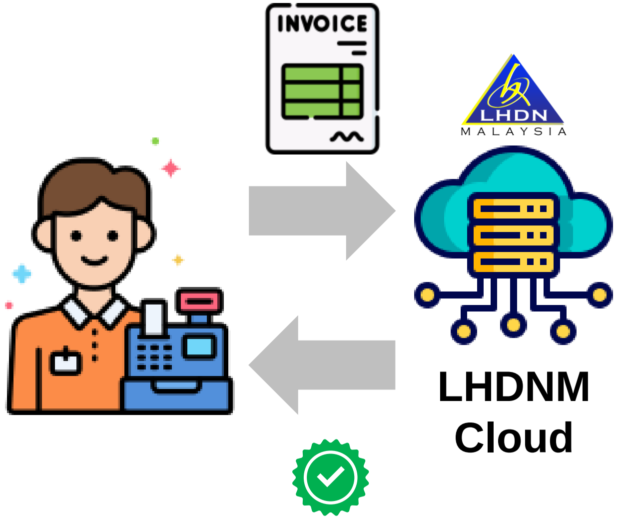
2

6 Details Required

1. Classification
2. Description of product
3. Unit price
4. Tax type
5. Tax rate
6. Original e-Invoice Ref. No.

Upon request for an e-Invoice, Bobby fills in 6 or less data fields in the MyInvois Portal to generate the e-Invoice

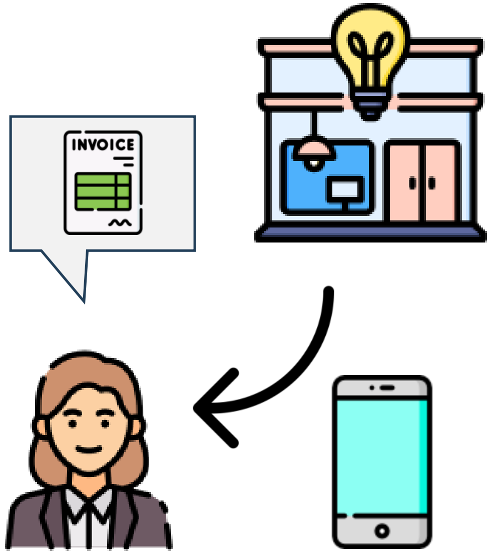
3



After completing all required fields, Bobby can submit the e-Invoice via the MyInvois Portal for validation

Illustration 7: Submission of e-Invoice can be done via MyInvois Portal on an individual basis

1



Tina purchases a smartphone from Kedai Elektronik Smart Gadget and requests for an e-Invoice

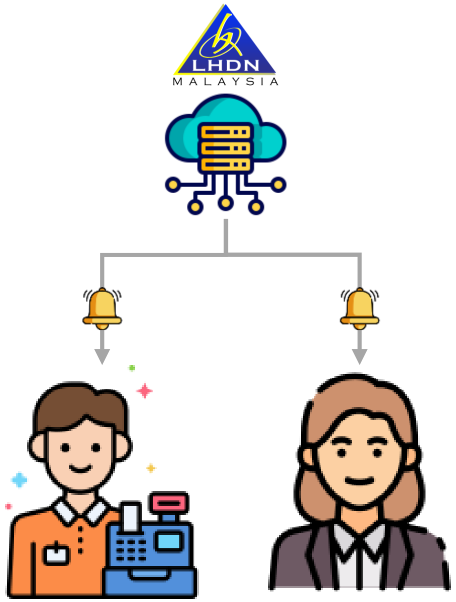
2

Bobby, the owner, creates an e-Invoice using MyInvois Portal

3

Bobby obtains Tina's details from her QR code[1] on the MyTax apps and submits the completed e-Invoice form

4



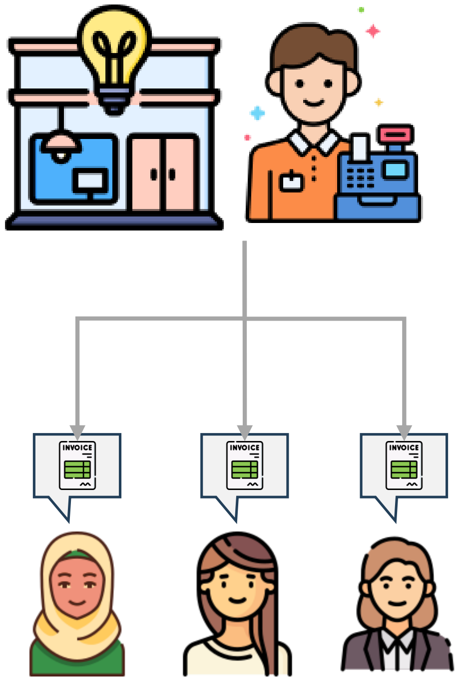
Bobby and Tina will receive an email notification once the e-Invoice has been validated by LHDNM

***Note:**

1. LHDNM in the midst of developing the function where taxpayer's details can be retrieved by scanning the QR code provided in the MyTax apps

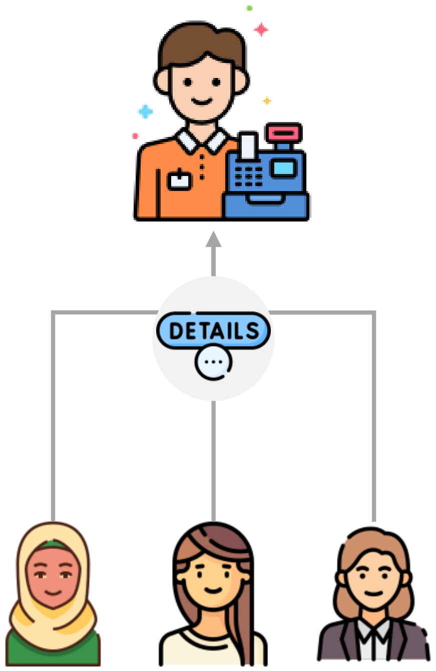
Illustration 8: Submission of e-Invoice can be done via MyInvois Portal in batches by using Batch Upload function

1



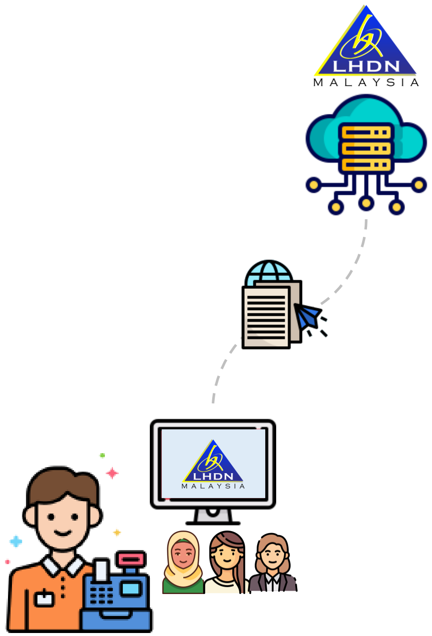
Aina, Cass and Tina buy smartphones from Kedai Elektronik Smart Gadget and request for e-Invoices of their respective purchases

2



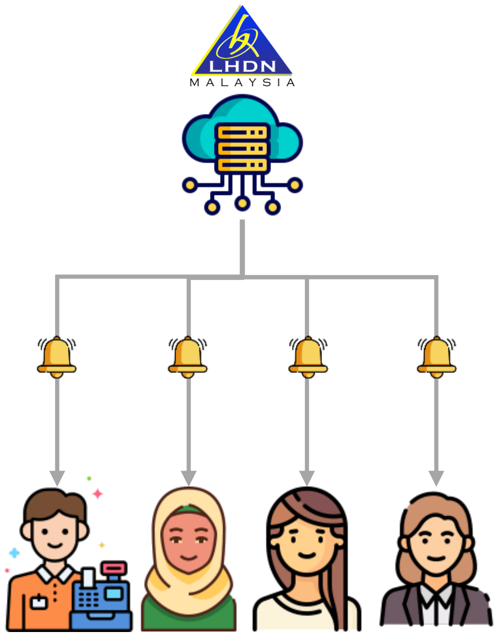
Bobby the owner records their personal details to issue their e-Invoices at the end of the day

3



Bobby completes and submits e-Invoices for Aina, Cass and Tina in one batch upload via the MyInvois Portal

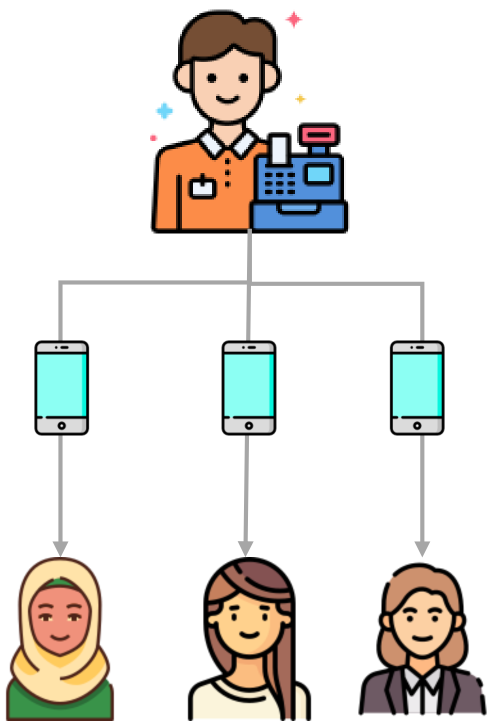
4



Upon validation, Bobby, Aina, Cass and Tina will be notified of their validated e-Invoices

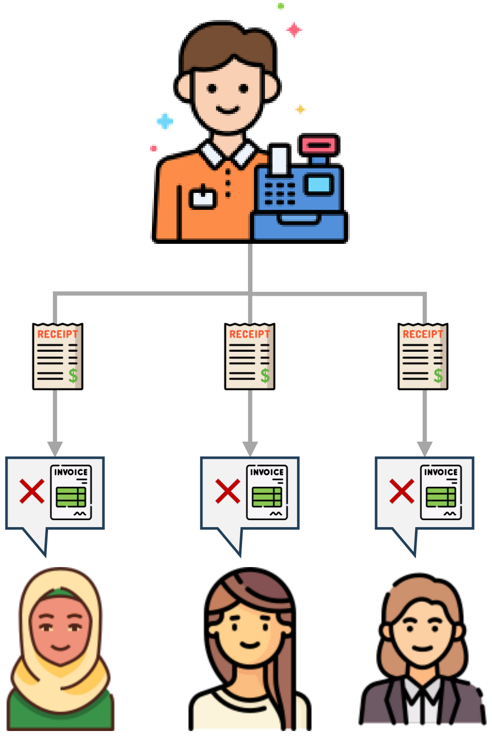
Illustration 9: Where Buyers do not require an e-Invoice, Seller is required to submit consolidated e-Invoices

1



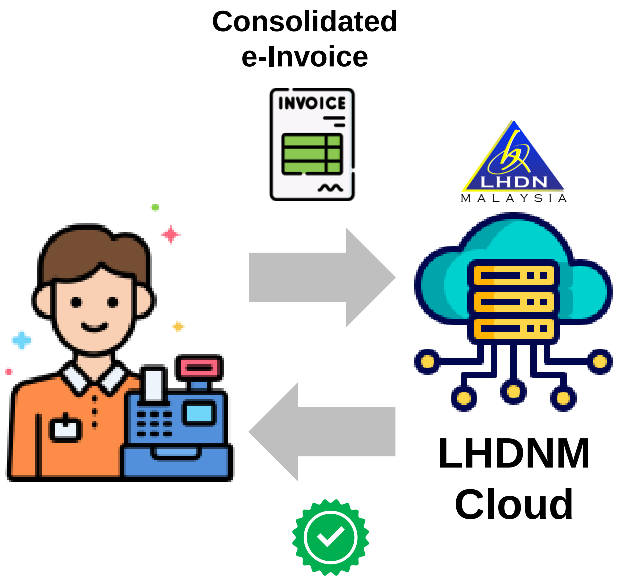
In July 2025, Aina, Cass and Tina bought smartphones from Kedai Elektronik Smart Gadget

2



As they did not request for e-Invoices, Bobby issues them normal receipts[1] as proof of payment

3



Before 7 August 2025[2], Bobby totals all receipts from transactions of **customers who did not request for an e-Invoice** and submits them as a consolidated e-Invoice to LHDNM for validation

***Notes:**

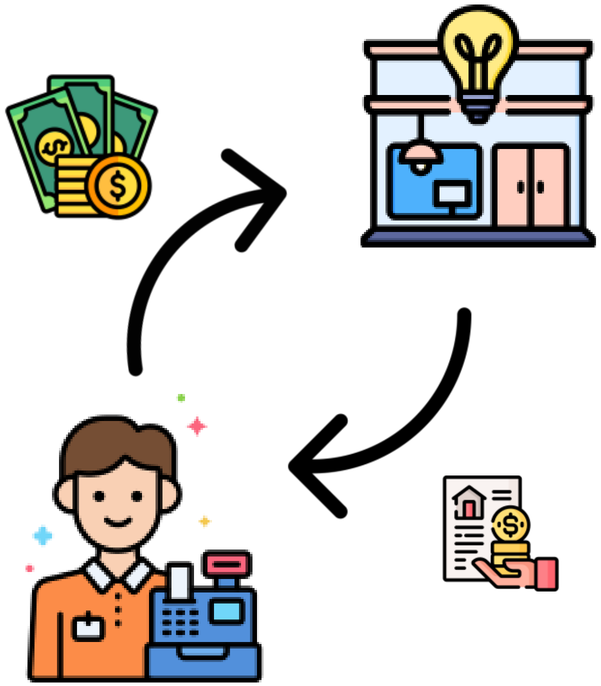
1. According to Section 82 of the Income Tax Act 1967, every person who carries on a business in Malaysia has the duty to keep proper documentation and give receipts.
2. Consolidated e-Invoices are to be submitted to LHDNM, within seven (7) calendar days after the month end.

Illustration 10: Where landlord conducts business, landlord is required to issue e-Invoice to tenant, including utility paid on behalf by tenant

1

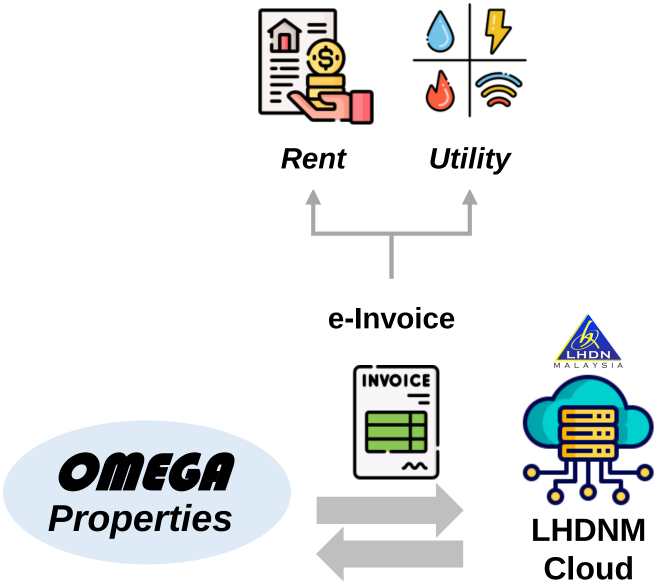
Omega Properties, a property developer owns multiple commercial shop lots in Taman Segar

2



One of its shop lots is rented to Kedai Elektronik Smart Gadget. Smart Gadget pays for its own utility bills.

3



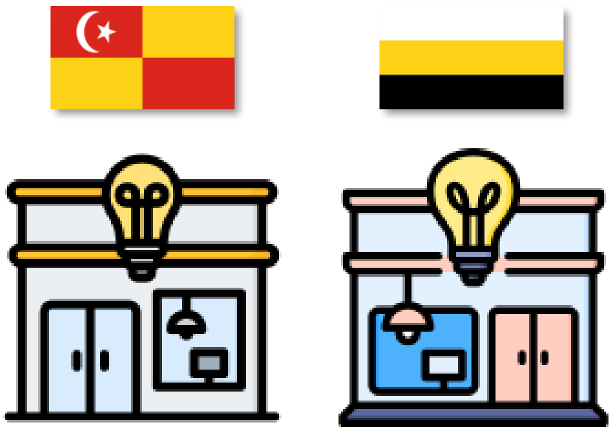
As Omega Properties is a business, it is required to issue an e-Invoice to Smart Gadget for utility charges paid.

***Note:**
A landlord will be categorised conducting the letting of real property activity as a business source under paragraph 4(a) of the Income Tax Act 1967] based on the criteria explained in the LHDNM Public Ruling No. 12/2018.

Illustration 11: Sellers with multiple branches can choose how they would like to consolidate their e-Invoices

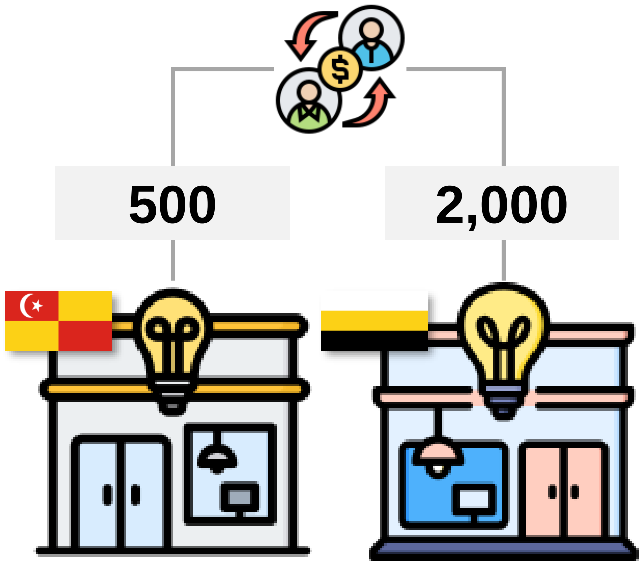
1

Smart Gadget



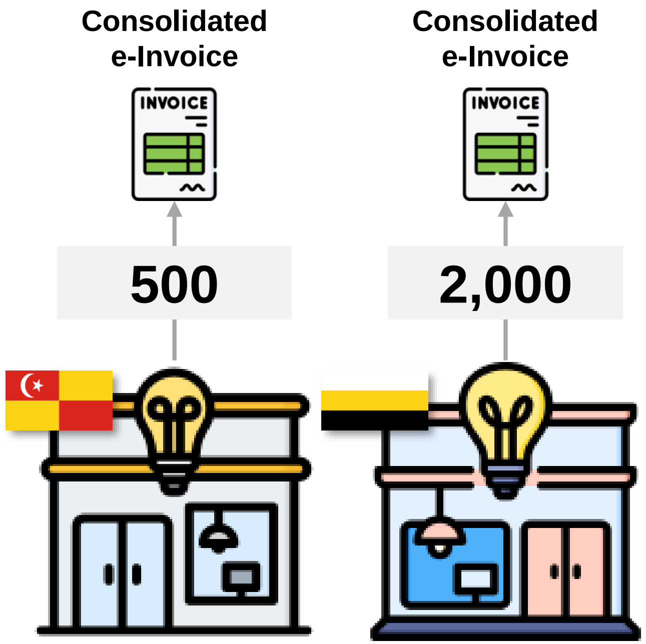
Kedai Elektronik Smart Gadget has two branches – one (1) in Selangor and one (1) in Perak

2



In September, Smart Gadget had 500 and 2,000 transactions from Perak and Selangor respectively with no e-Invoices issued

3



Smart Gadget issues two separate consolidated e-Invoices for these transactions: One for Perak and another for Selangor respectively

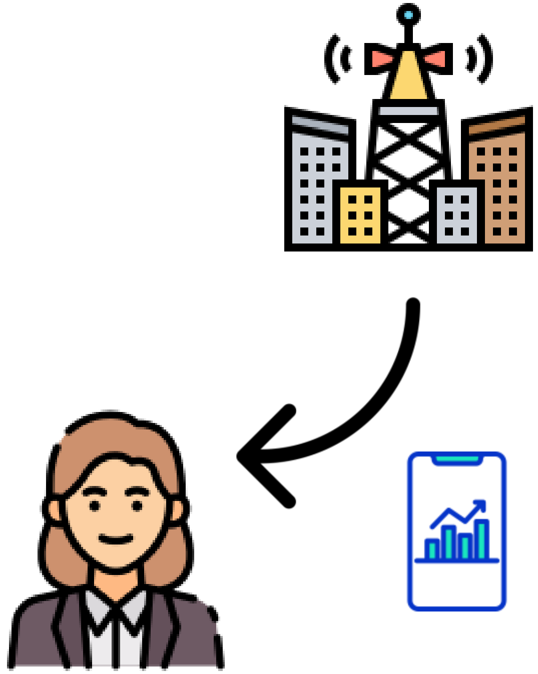
Statements or Bills on a Periodic Basis

Upon implementation of e-Invoice, Sellers are required to issue e-Invoice as proof of income and/or proof of expense for items that are shown in the statement / bill.

Sellers are allowed to include the amount owing by Buyers to the Seller as well as payment / credit to Buyers in the same e-Invoice.

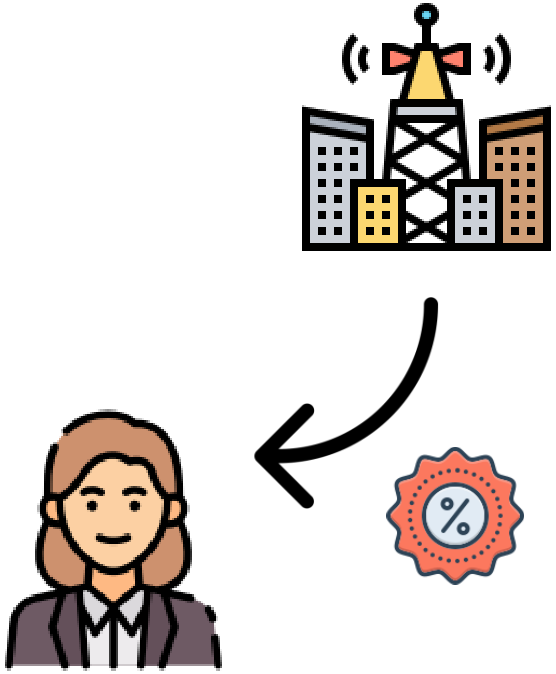
Illustration 12: e-Invoices issued for bills on periodic basis may also include adjustments to a prior period's bills, such as rebate

1



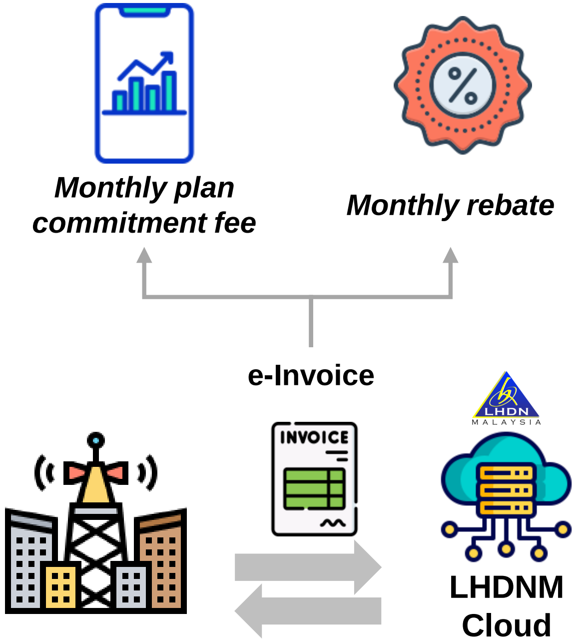
Tina has been a loyal subscriber of Delca Telco Sdn Bhd's postpaid plan for many years

2



To thank Tina for her loyalty, Delca Telco provides her with a RM10 monthly rebate for the next 24 months

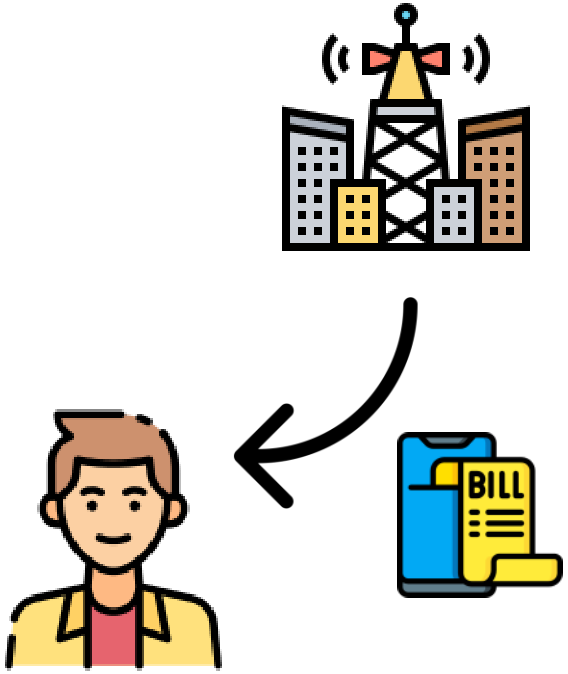
3



Delca Telco includes the RM10 monthly rebate along with the monthly plan commitment fee payable by Tina in the e-Invoice

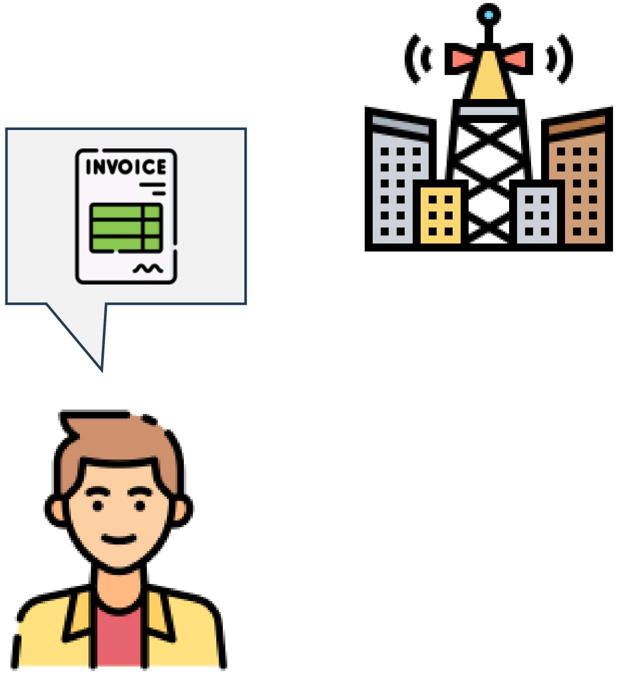
Illustration 13: Sellers that issue bills on a periodic basis are required to issue e-Invoices as proof of income and / or expense

1



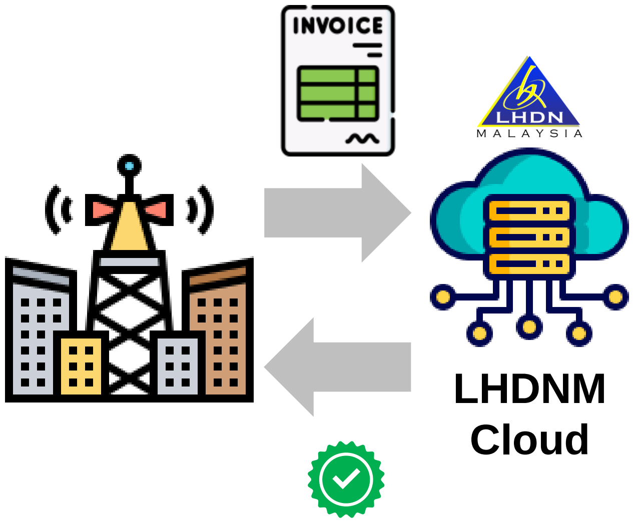
Kenny receives his phone bill for the month of October from his telco provider, Delca Telco Sdn Bhd.

2



Kenny requests for an e-Invoice for his phone bill as proof of expense for tax purposes

3



Delca Telco creates and submits Kenny's e-Invoice to LHDNM for validation. The visual presentation of the e-Invoice is shared with Kenny

Disbursement or Reimbursement

Reimbursements are out-of-pocket expenses incurred by the Seller in the course of providing goods and services to the Buyer, which are subsequently reimbursed to the Seller by the Buyer. Disbursements are out-of-pocket expenses incurred by the Seller and paid to a third party by the Seller in relation with goods or services provided to the Buyer.

Currently, Sellers include reimbursements and disbursements are included in their invoices to Buyers.

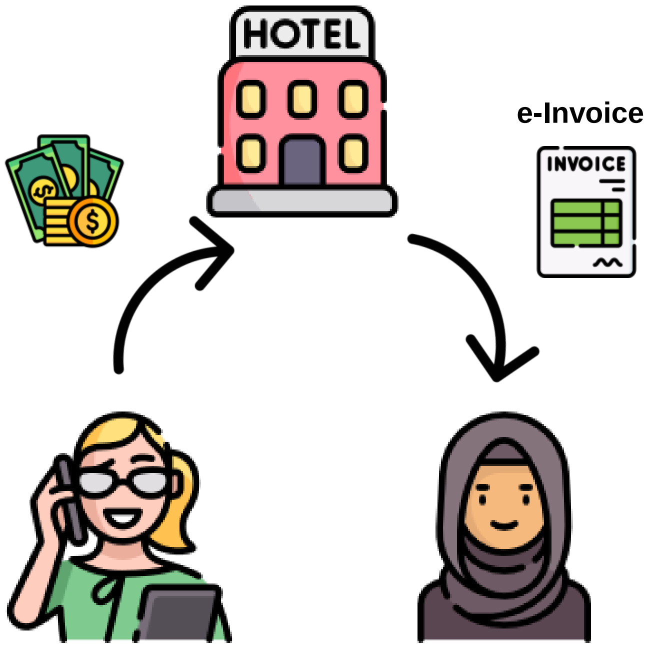
This section aims to provide the different scenarios that Sellers and Buyers may face to support a better understanding of e-Invoice treatment in this aspect.

Illustration 14: Sellers can issue one e-Invoice for their goods / services rendered along with any reimbursement costs that may apply

1

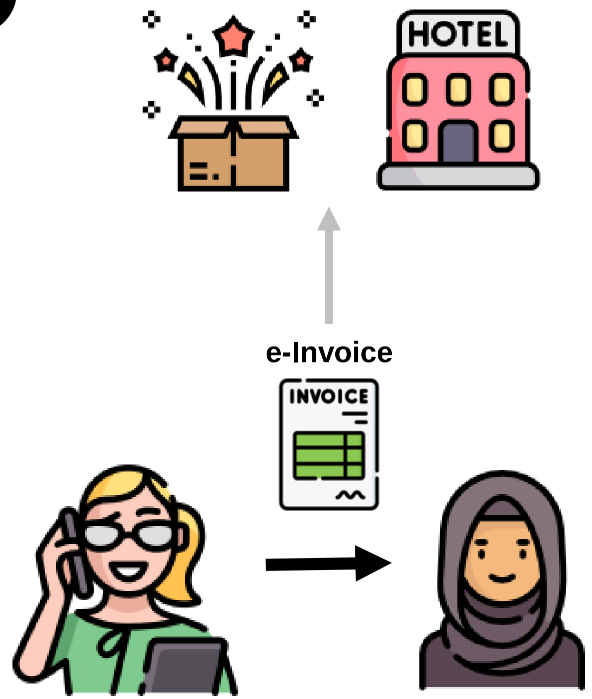
Perniagaan Adibah hired an event planner to organise their business' product launch celebration

2



The event planner rented a hotel ballroom for RM 30,000 for the launch event

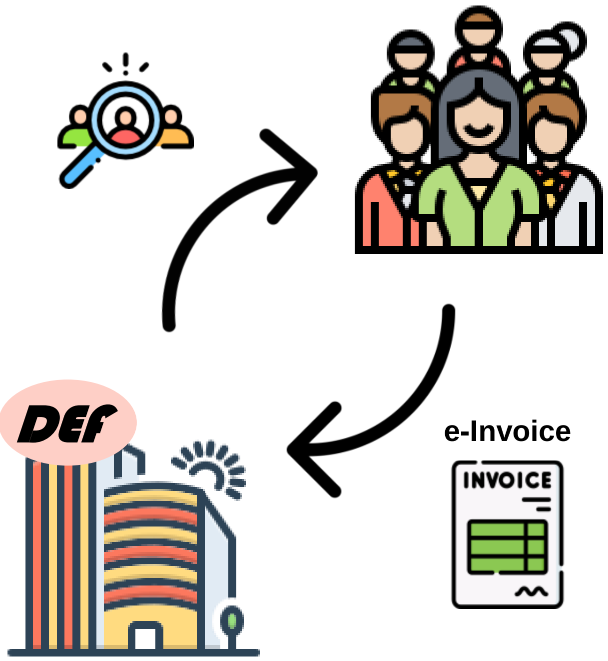
3



The event planner issues an e-Invoice for its planning services and the hotel ballroom rental as separate line items of the e-Invoice

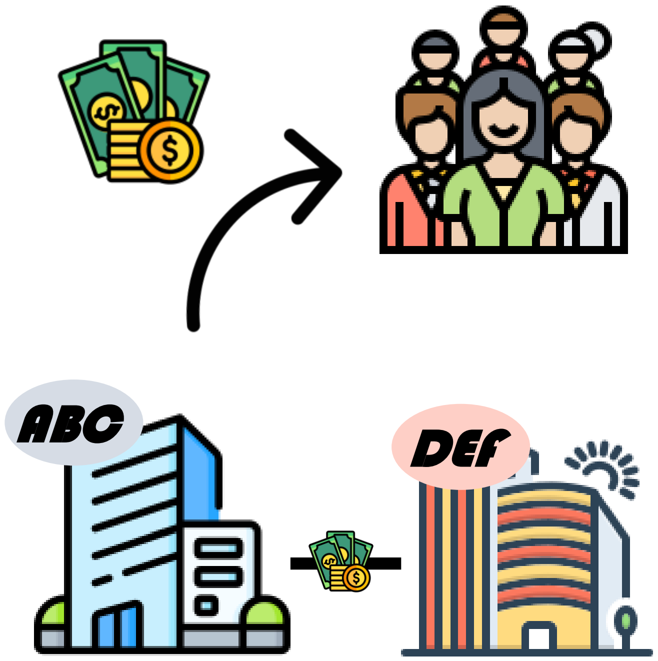
Illustration 15: No e-Invoice required for payment made on behalf between parent and subsidiary companies

1



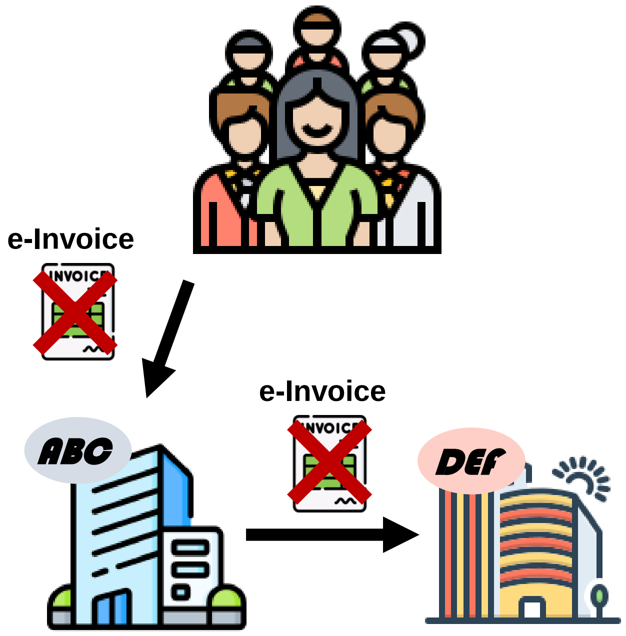
DEF Company hired HR Hiring for recruitment services. HR Hiring issued an e-Invoice to DEF for the services.

2



ABC Company, DEF's parent company paid HR Hiring on behalf of DEF. DEF repaid ABC in full at a later date.

3



No e-Invoice needs to be issued by ABC to DEF or by HR Hiring to ABC as there was no transaction between the said parties.

Expenses incurred by Employee on behalf of Employer

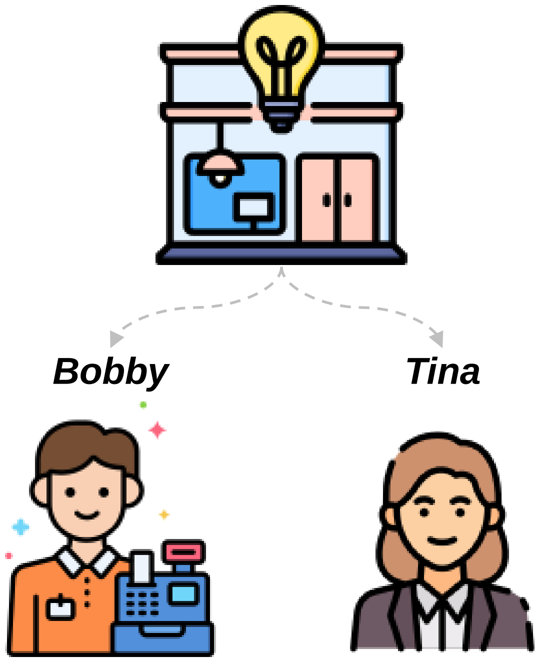
An individual under employment may incur expenses on behalf of the employer, such as accommodation, toll, mileage, parking etc. Currently, employees are required to submit their expenses claims with supporting documents (e.g., bills, receipts, etc.).

Upon implementation of e-Invoice, when a transaction is completed, employees are required to request for an e-Invoice as proof of expense. LHDNM allows the use of e-Invoice issued in the name of both the employer and employee.

This section aims to provide the different scenarios that employers or employees may face to support a better understanding of e-Invoice treatment in this aspect.

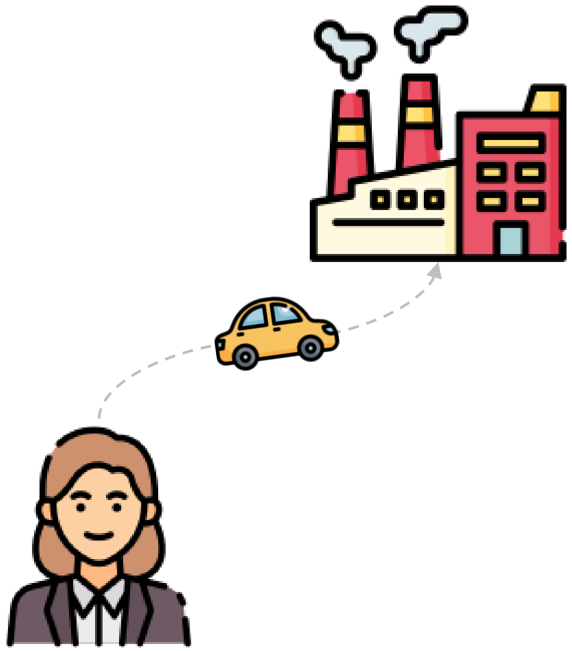
Illustration 16: Employers are allowed to utilise e-Invoices for tax purposes

1



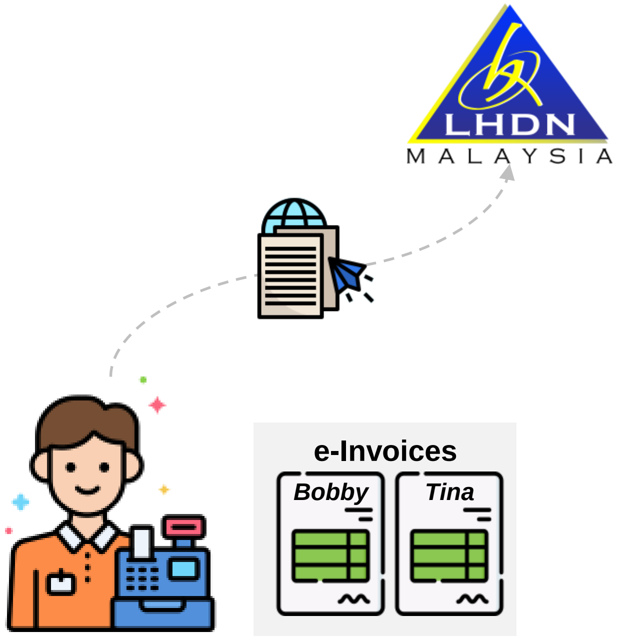
Bobby is the owner of Kedai Elektronik Smart Gadget. Tina is an employee at his store.

2



Tina travels outstation to meet a Seller of Smart Gadget. Tina collects e-Invoices on expenses incurred from her trip for claims purposes.

3



Bobby is able to use the e-Invoices from Tina's trip even if the e-Invoice is issued in her name[1].

***Note:**

1. The employer must be able to prove the employer-employee relationship to be eligible for claim for e-Invoices requested under employee's name or using existing supporting documentation.

Self-billed e-Invoice

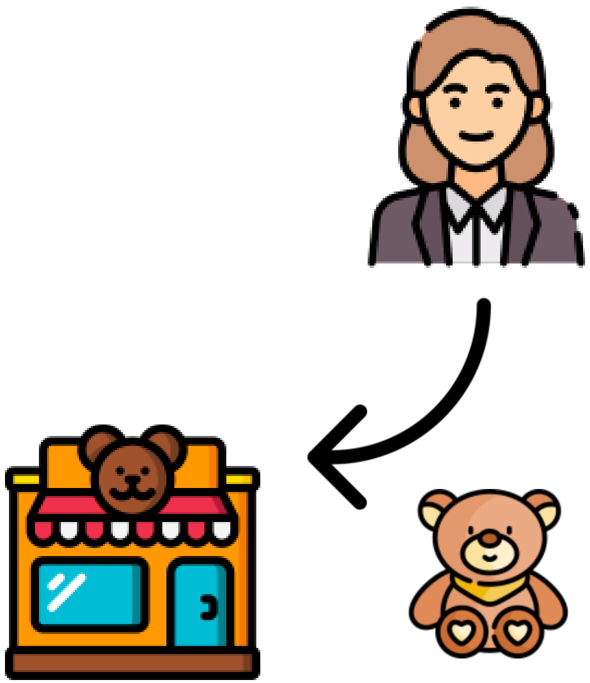
Buyers can issue self-billed e-Invoice in the following situations:

- Payments to agents, dealers and distributors
- Goods sold or services rendered by foreign sellers
- Profit distribution
- E-commerce transactions
- Pay-out to all betting and gaming winners
- Acquisition of goods or services from individual taxpayers
- Interest payment, except – Businesses, interest payment made by employee to employer, and payment made by foreign payor to Malaysian taxpayer
- Claim, compensation or benefit payments from the insurance business of an insurer

This section provides examples when Buyers purchase goods or services from individuals who are not conducting a business to aid a better understanding of e-Invoice treatment in this situation.

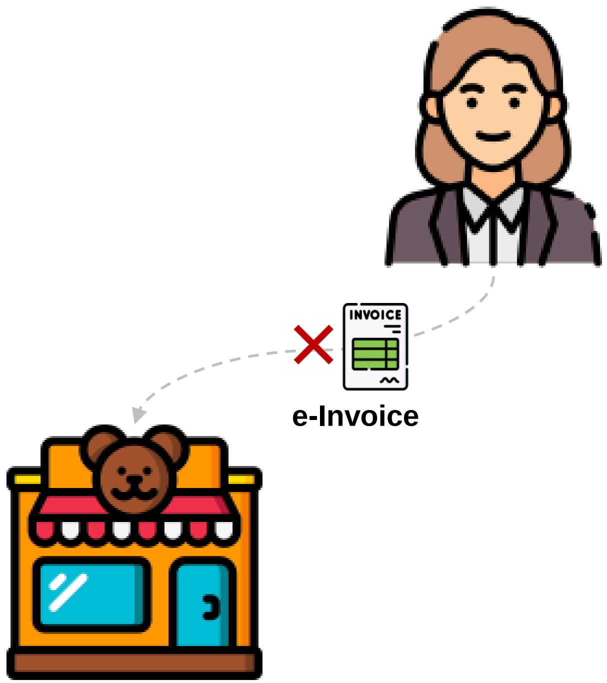
Illustration 17: MSMEs need to issue a self-billed e-Invoice when purchasing products from an individual not conducting a business

1



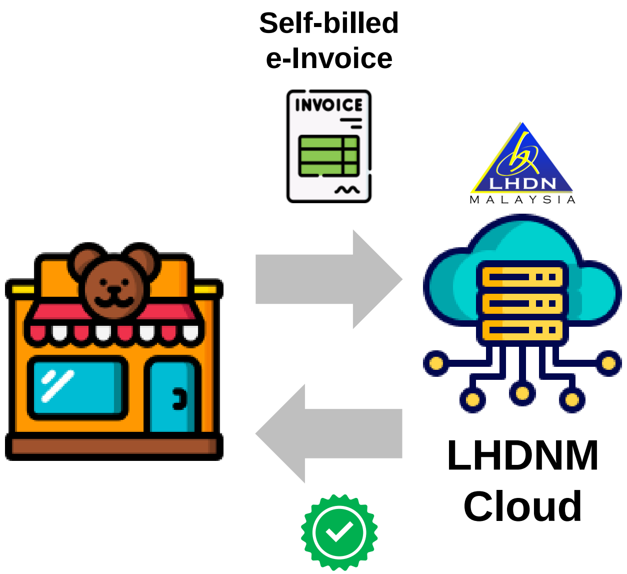
Tina, a passionate teddy bear toy collector sells teddy bears to Kedai Permainan Cuddle Bears

2



As Tina is an individual not conducting business, she is not required to issue an e-Invoice to Cuddle Bears

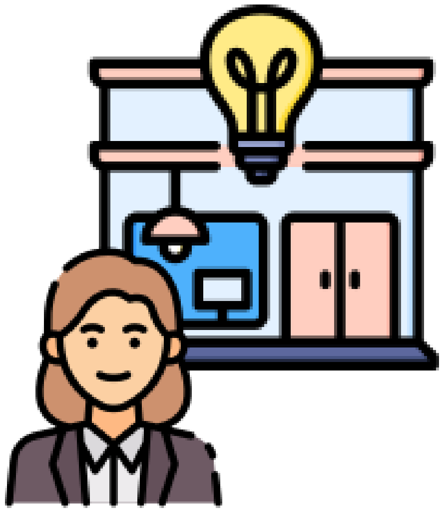
3



Cuddle Bears is required to create and submit a self-billed e-Invoice for their purchase of toys from Tina

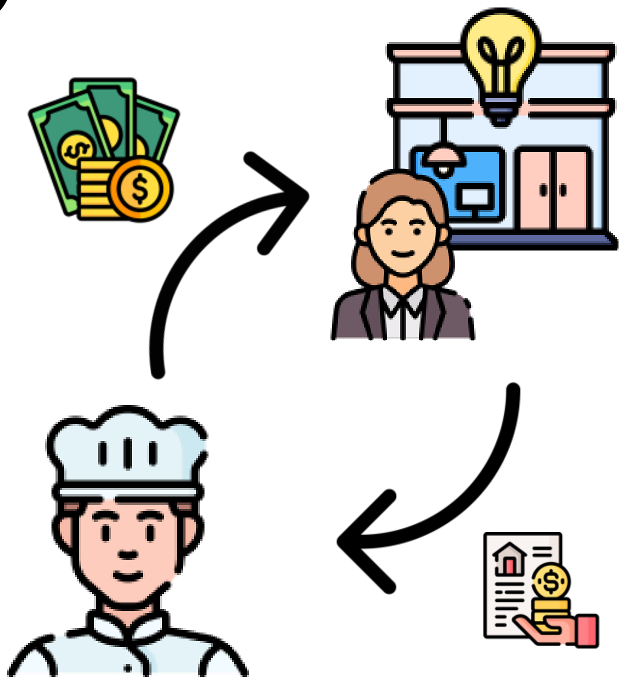
Illustration 18: MSMEs need to issue a self-billed e-Invoice when purchasing services from an individual not conducting a business

1



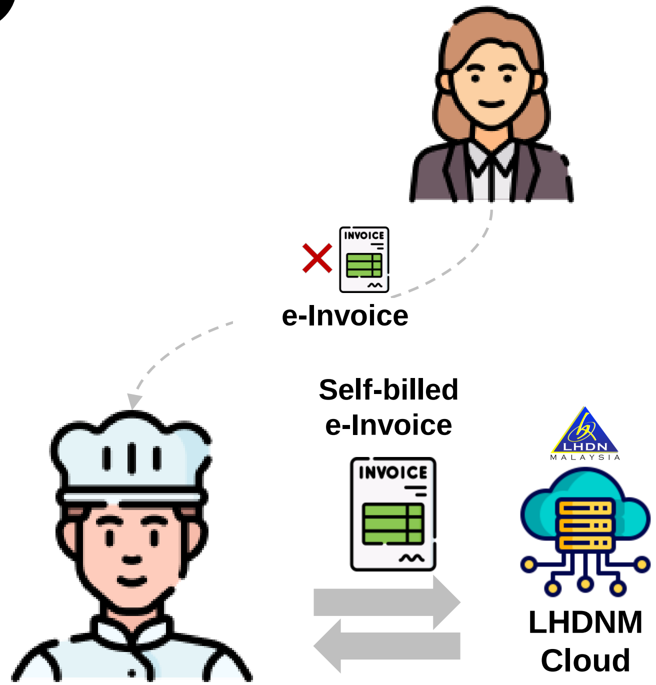
Tina owns[1] a commercial shop lot

2



Kedai Makanan Homey Food rents Tina's commercial shop lot to run its business

3



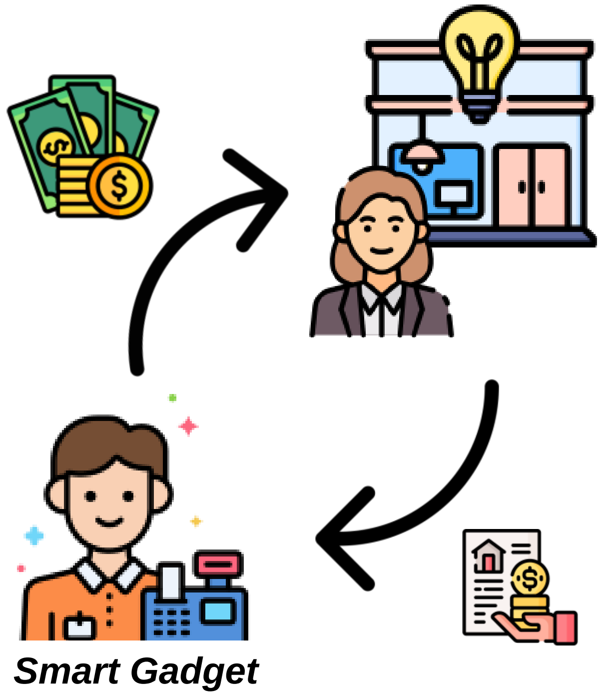
As Tina is an individual not conducting business, Homey Food is required to issue a self-billed e-Invoice

***Note:**

1. A landlord will be categorised conducting the letting of real property activity as a business source under paragraph 4(a) of the Income Tax Act 1967] based on the criteria explained in the LHDNM Public Ruling No. 12/2018.

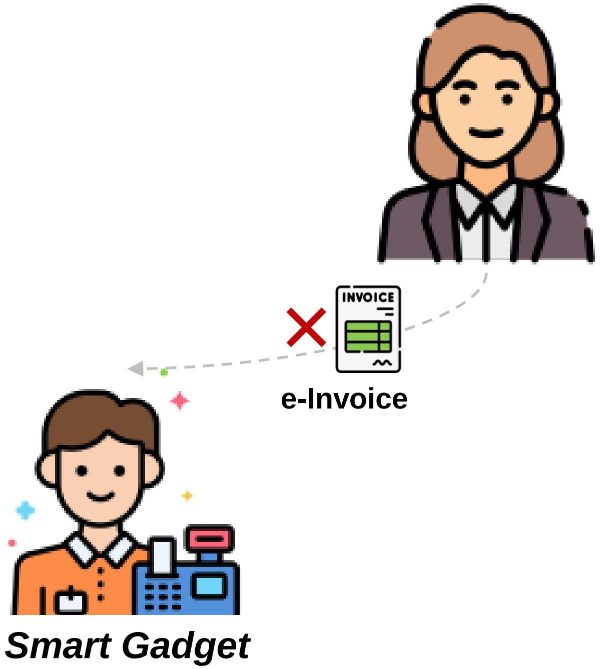
Illustration 19: Business tenants have to issue self-billed e-Invoice on rental and utility bills if landlord does not conduct business

1



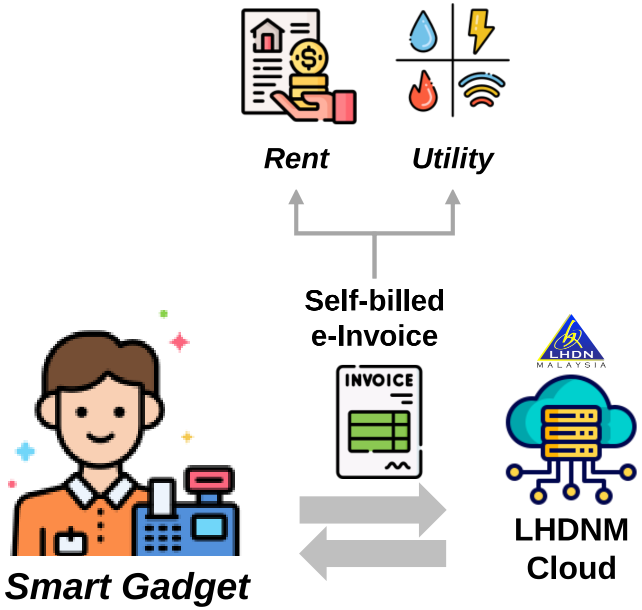
Tina, a primary school teacher, owns a commercial shop lot. She rents her shop lot to Kedai Elektronik Smart Gadget

2



As Tina is an individual not conducting business, she is not required to issue e-Invoice to Smart Gadget on rental and utility bills

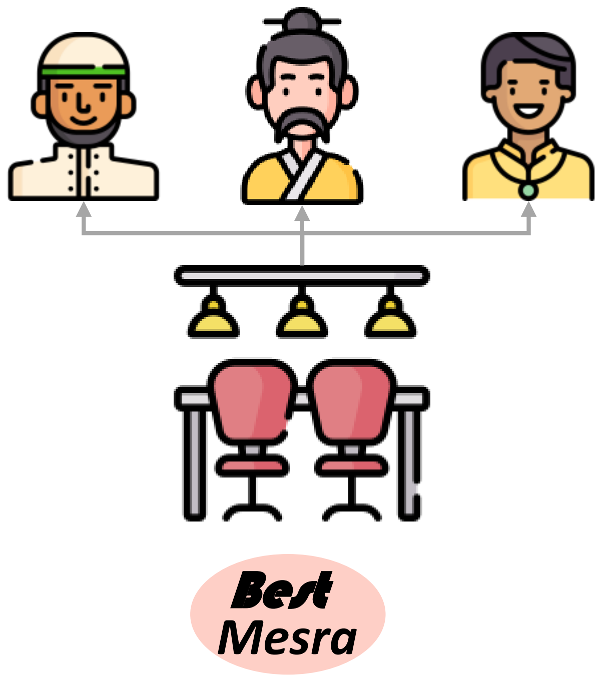
3



Smart Gadget will have to issue a self-billed e-Invoice for its rental and utility expenses (registered under Tina's name)

Illustration 20: Tenants need to issue self-billed e-Invoices for rental payable to multiple landlords who are not conducting business

1

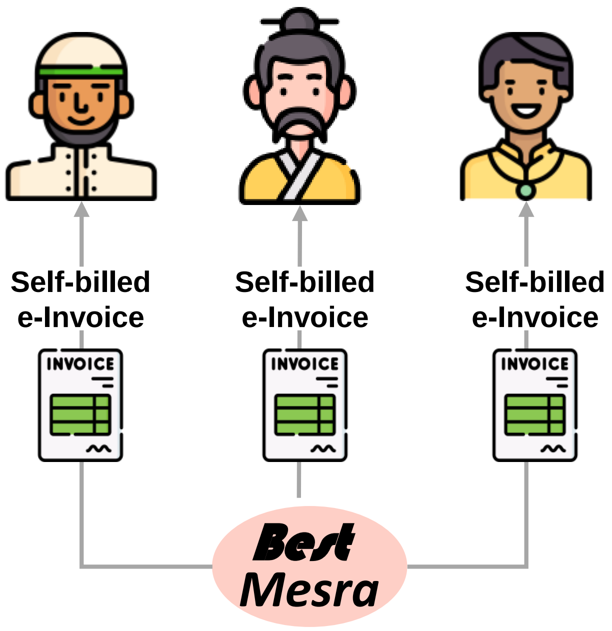


Best Mesra Sdn Bhd rents an office space owned by three individuals – Haikal, Ming and Suresh.

2

All three landlords are individuals not conducting business

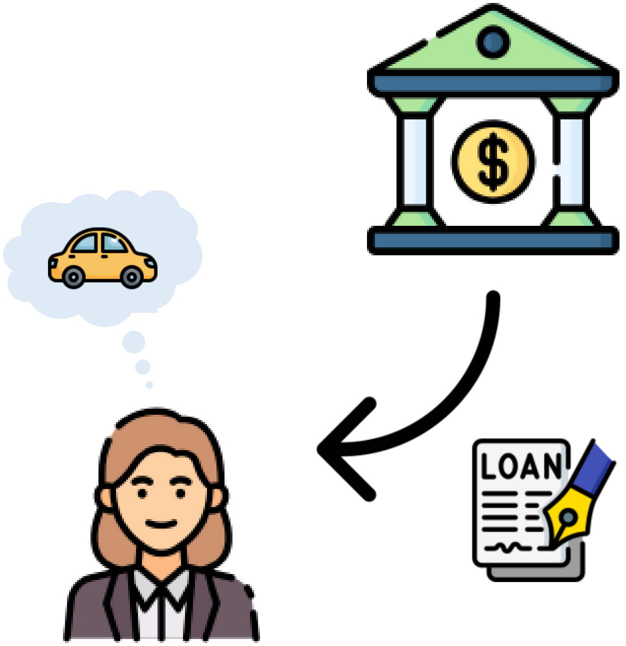
3



Best Mesra is required to assume the role of Seller to issue self-billed e-Invoices to all three landlords based on their agreed proportion

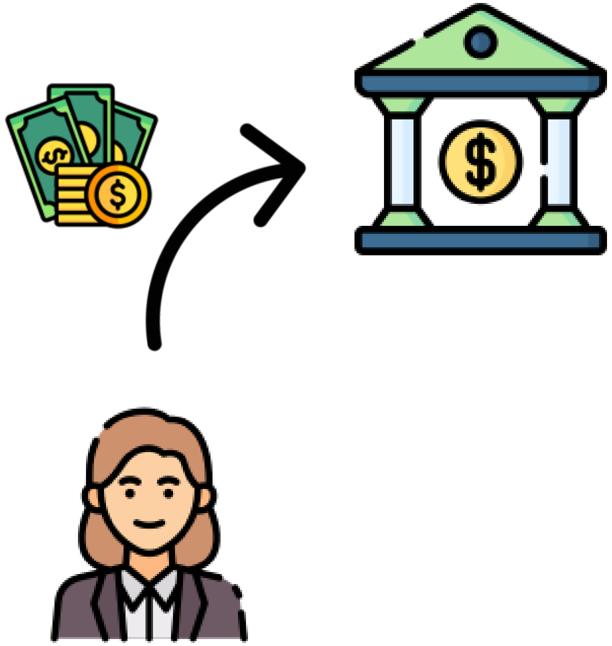
Illustration 21: Buyers are not required to issue self-billed e-Invoice if interest payment is made to a financial institution

1



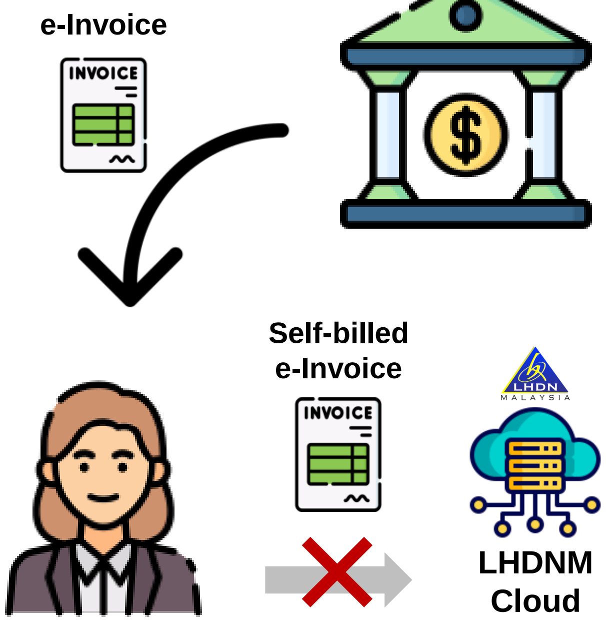
Tina secured a loan from Bank Duit to finance the purchase of her car. She is charged 3.75% interest on the loan.

2



Tina makes monthly instalment payments, consisting of capital and interest to Bank Duit.

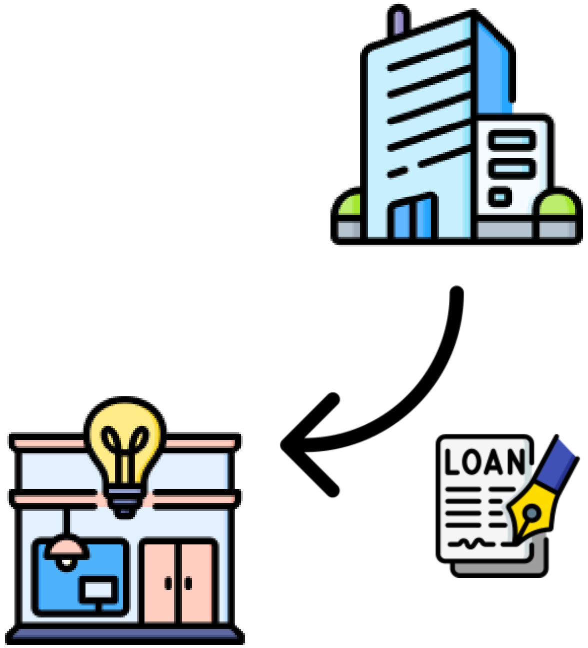
3



As Tina is an individual making interest payment on loan to bank, she does not have to issue a self-billed e-Invoice. Instead, he will receive an e-Invoice from Bank Duit.

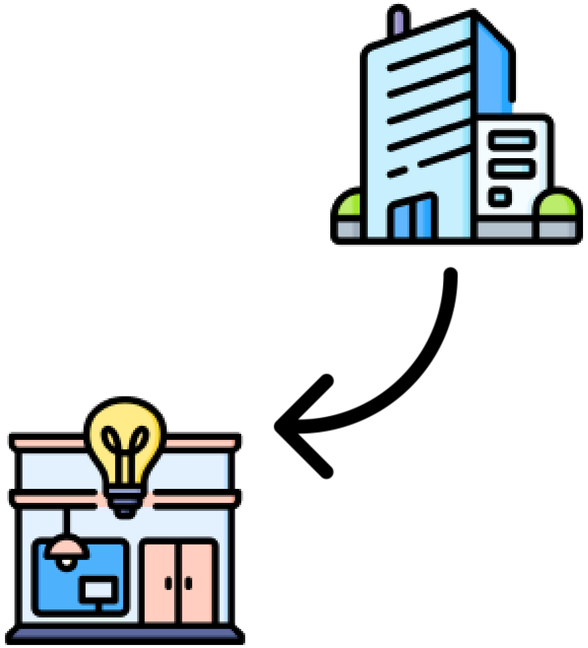
Illustration 22: Buyers have to issue a self-billed e-Invoice on interest payments made to Sellers that are non-financial institutions

1



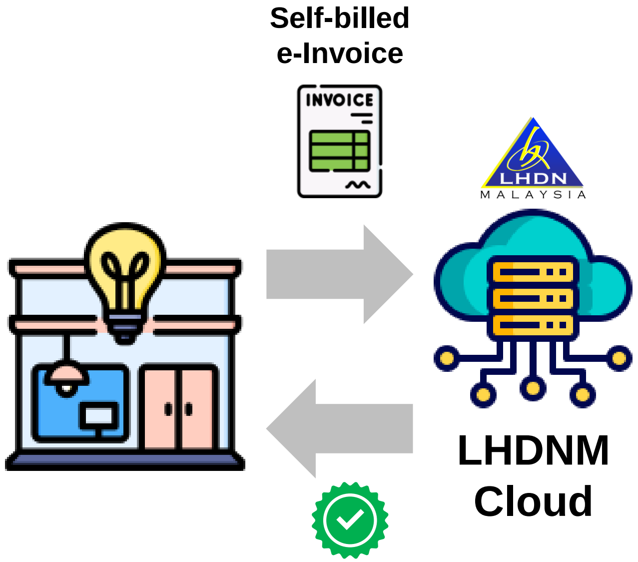
Kedai Elektronik Smart Gadget has obtained RM1 million loan from its holding company, SMART Sdn Bhd

2



SMART charges interest on the loan to Kedai Elektronik Smart Gadget

3



Kedai Elektronik Smart Gadget is required to create and submit a self-billed e-Invoice for interest paid to SMART

***Note:**
Self-billed e-Invoice is not required if interest payment is made in the following situations: (1) To businesses that charge interest to public at large (e.g., financial institutions), (2) By employee to employer. (3) By foreign payor to Malaysian taxpayers. The Seller is required to issue e-Invoice as usual.

Transactions which involve payments to Agents, Dealers and Distributors

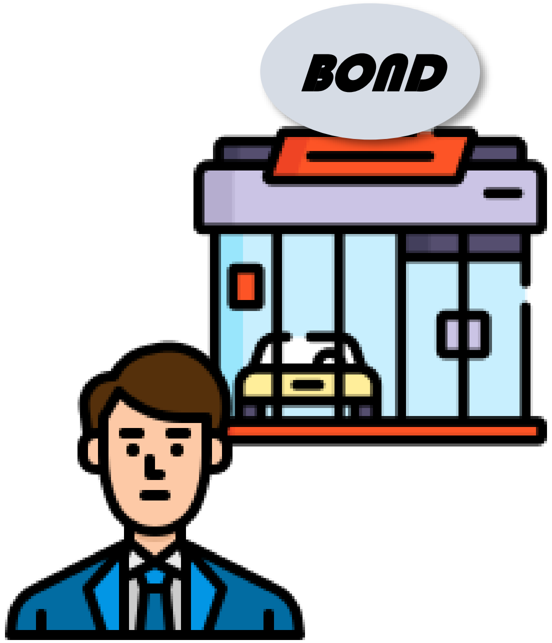
The payments included whether in monetary or non-monetary form.

The use of an agent, dealer or distributor are commonly seen in a business supply chain. An agent, dealer or distributor (i.e., a third party / intermediary) will earn commission on the sale of products or provision of services to consumers.

When a Buyer acquires goods or services from the Seller through an Agent / Dealer / Distributor, Seller is required to issue an e-Invoice to the Buyer to record the transaction.

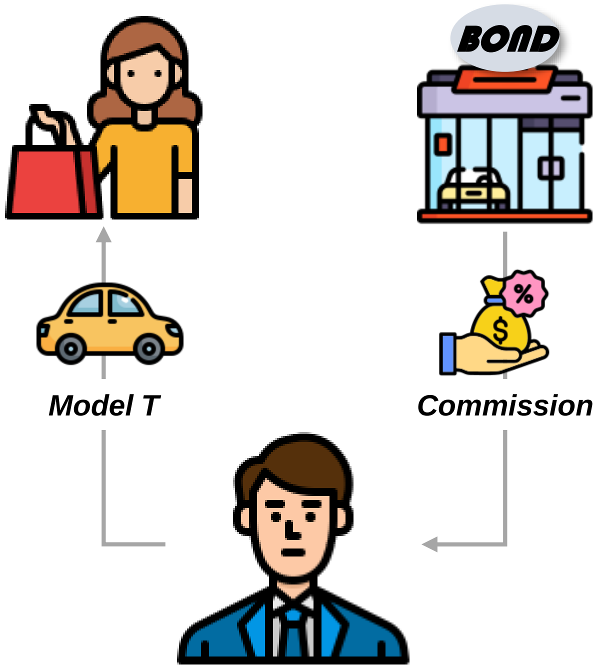
Illustration 23: Buyer (Payor) shall issue self-billed e-Invoice to applicable transactions for payments to agents, dealers and distributors (i.e., Commission)

1



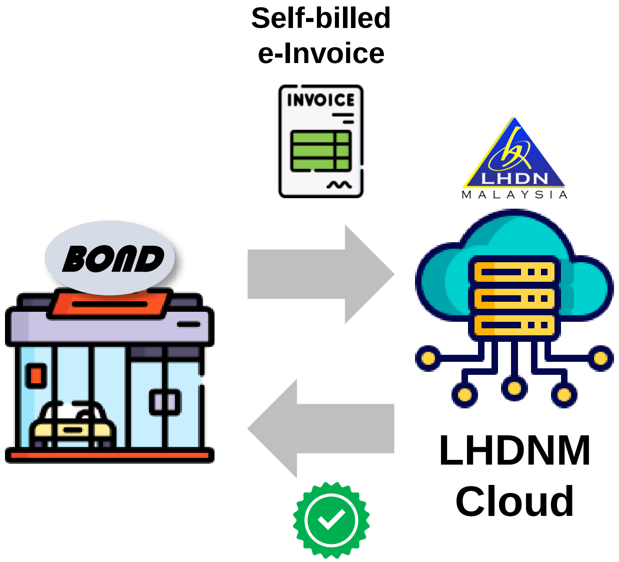
Alif is a car salesman at Bond Automotive Sdn Bhd

2



He sold a Model T car costing RM600,000 and earned 20% commission on that sale

3



Bond Automotive issues a self-billed e-Invoice to record the 20% commission as proof of Alif's income and the business' expense

Cross Border Transactions

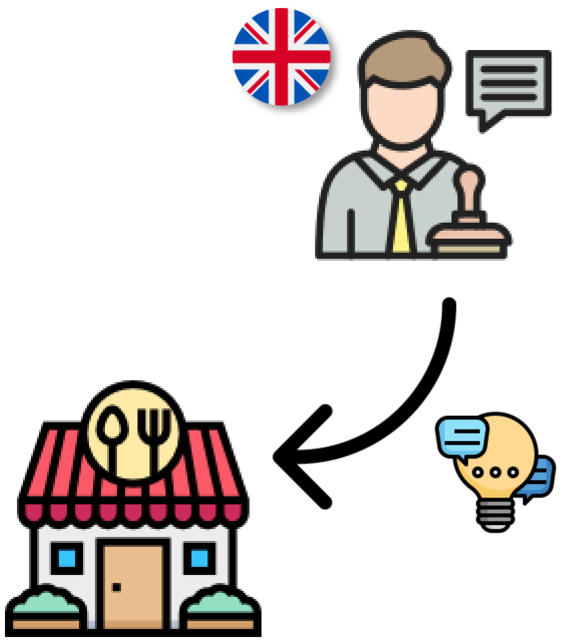
Buying and selling across borders – This happens when a Malaysian company (Buyer) buys from (or sells to) a company outside Malaysia. Normally, the foreign company (Foreign Seller) would send an invoice or receipt to the Malaysian company.

The Foreign Seller is not required to issue an e-Invoice, the Malaysian Buyer is should issue a self-billed e-Invoice to record the sale or expense.

This section provides examples of cross-border transactions to aid a better understanding of e-Invoice treatment in this aspect.

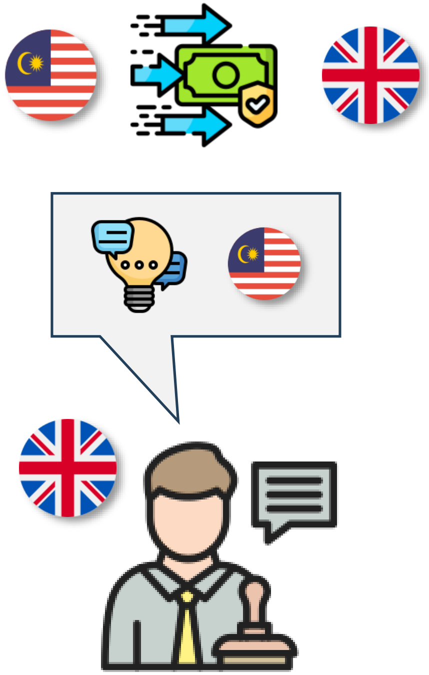
Illustration 24: Malaysian Buyers have to issue self-billed e-Invoices for services acquired from Foreign Sellers

1



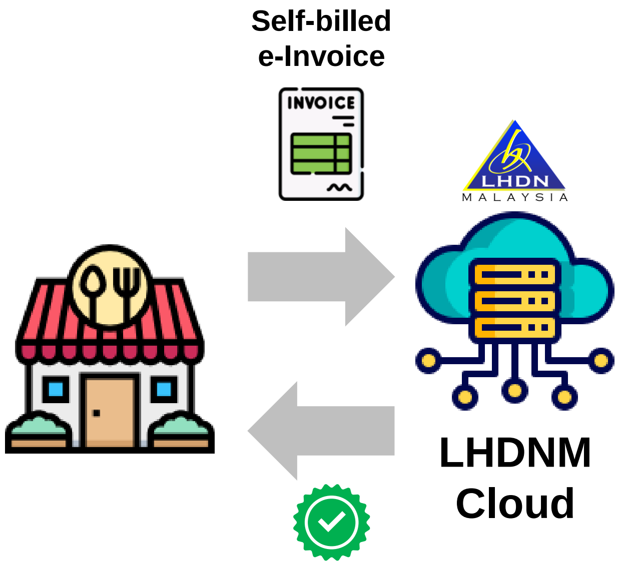
Food Eate Sdn Bhd hired legal advisor, ABC Advisory Ltd from the UK

2



The legal advice relates to matters in Malaysia, hence import tax applies for their services

3



As ABC is not required to implement e-Invoice, Food Eate has to issue a self-billed e-Invoice[1] to substantiate the expense for tax purposes

***Note:**

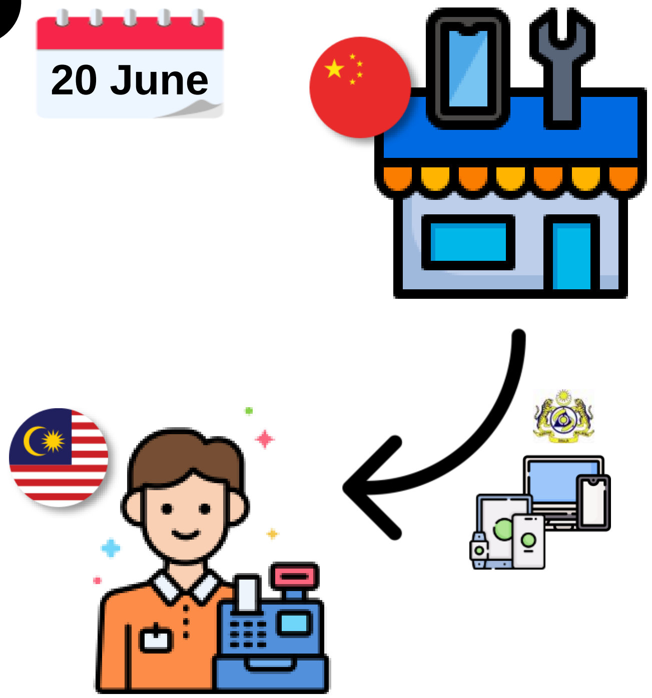
1. In relation to importation of services, self-billed e-Invoice should be issued latest by the end of the month following the month upon (1) payment made by the Malaysian Purchaser; or (2) receipt of invoice from foreign supplier, whichever earlier. The determination of the aforementioned (1) and (2) is in accordance with the prevailing rules applicable for imported taxable service..

Illustration 25: MSMEs need to issue a self-billed e-Invoice when purchasing imported goods from foreign sellers

1

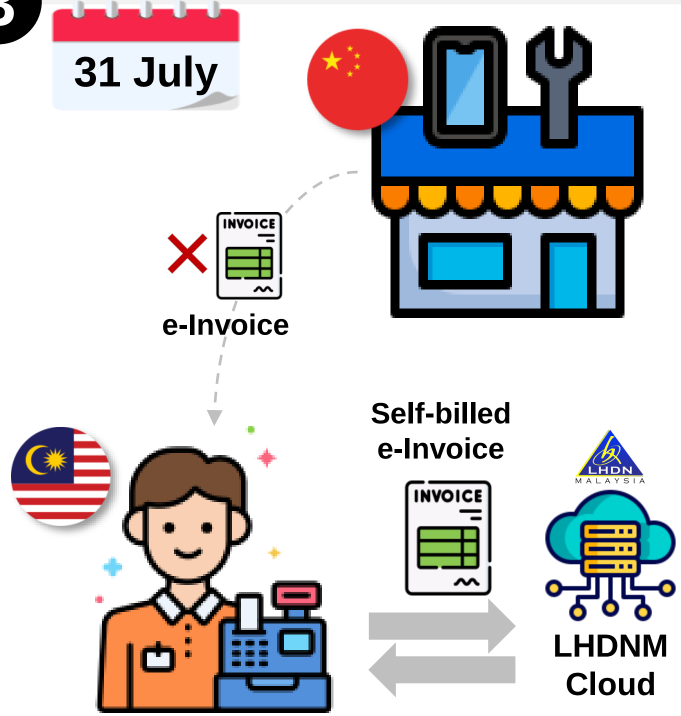
Bobby runs Kedai Elektronik Smart Gadget, an electronic store based in Malaysia

2



Most of Bobby's products are imported from a Foreign Seller, based in China. The products cleared Malaysian customs on 20 June

3



As the Chinese seller is not required to issue an e-Invoice, Bobby needs to create and submit a self-billed e-Invoice[1] latest by 31 July for the purchases made

***Note:**

1. In relation to importation of goods, the Malaysian Buyer should issue a self-billed e-Invoice latest by the end of the month following the month of customs clearance is obtained.

e-Commerce Transactions

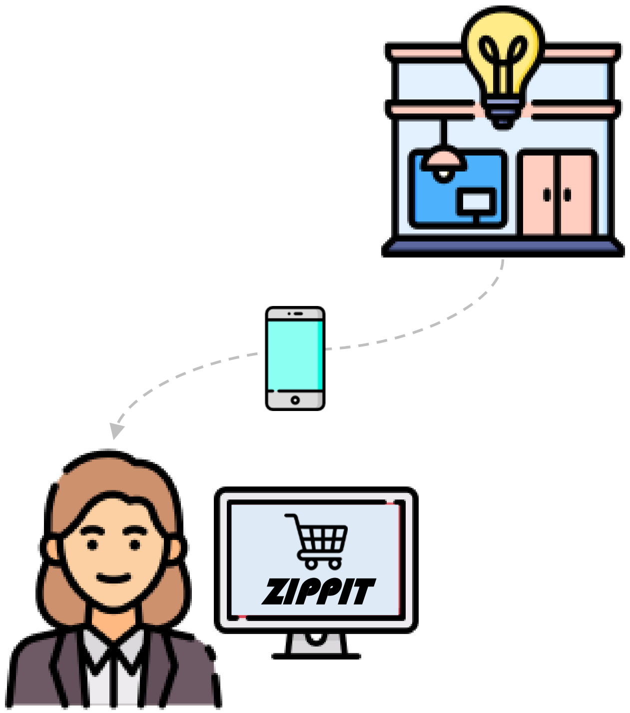
e-Commerce transactions refer to any sale or purchase of goods or services made online via e-Commerce Platforms (e.g. Shopee, Lazada, Grab, etc.).

This section provides examples of e-Invoice issuance for e-Commerce transactions.

- e-Commerce platform providers are responsible for issuance of e-Invoice.
- e-Commerce platforms need issue a self-billed e-Invoice on behalf of buyers purchasing imported goods from foreign sellers.

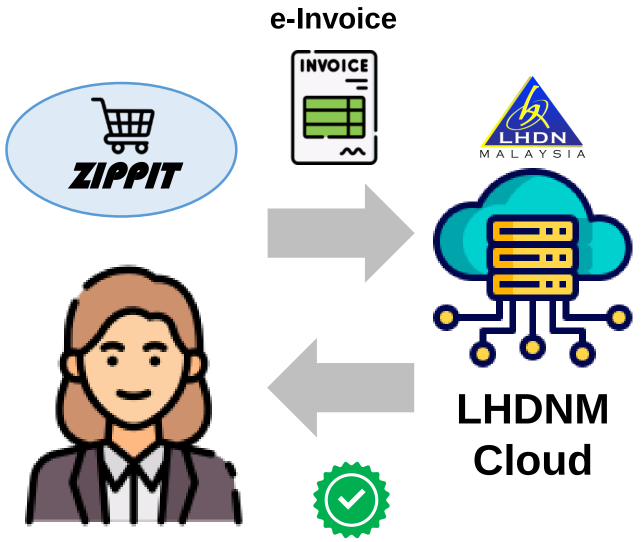
Illustration 26: e-Commerce platform providers are responsible for issuance of e-Invoice and / or self-billed e-Invoice

1



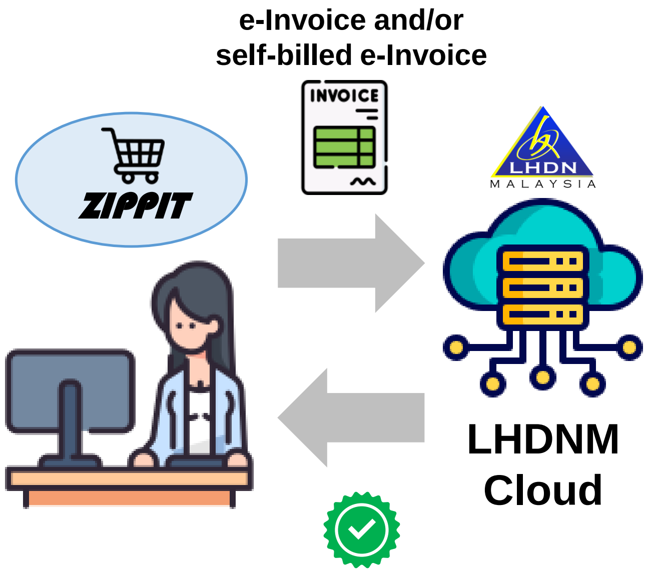
Tina purchases a smartphone from Kedai Elektronik Smart Gadget via the e-commerce platform, Zippit

2



Zippit is required to create and submit an e-Invoice to LHDNM on behalf of the merchant (Seller), Smart Gadget and share to the Buyer (if requested)

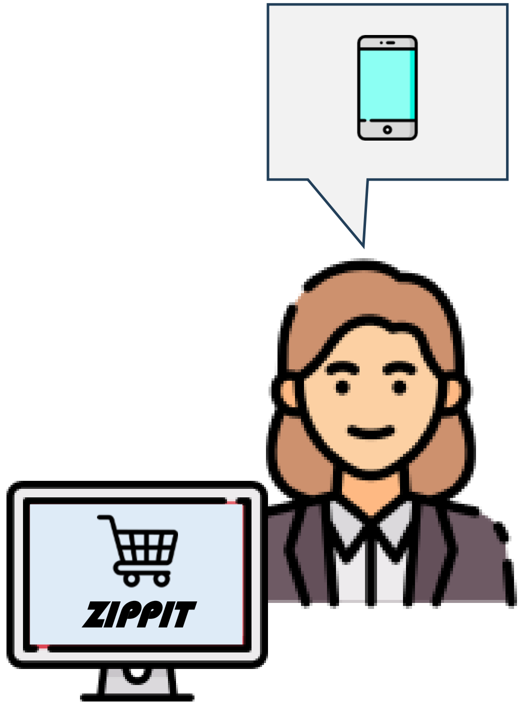
3



Zippit also will submit the e-Invoice and/or self-billed e-Invoice to LHDNM to record charge and payment to the merchant (Seller), Smart Gadget

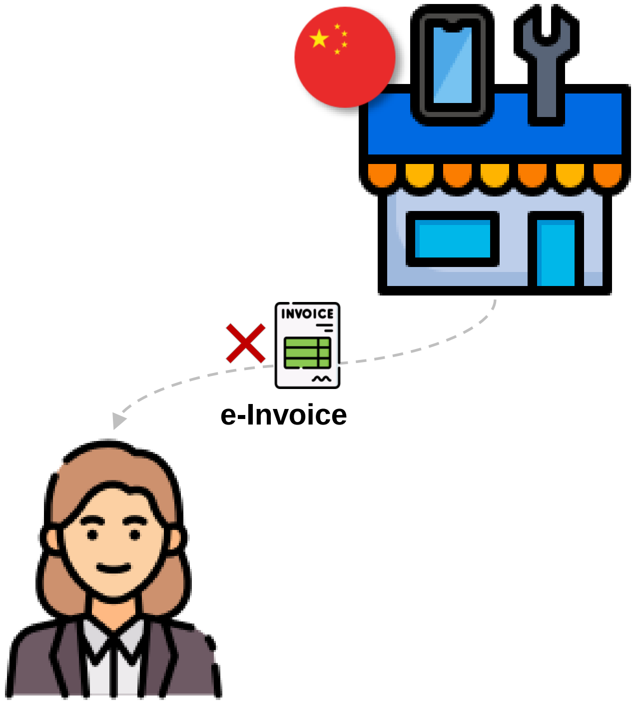
Illustration 27: e-Commerce platforms need to issue a self-billed e-Invoice on behalf of Buyers purchasing imported goods from Foreign Sellers

1



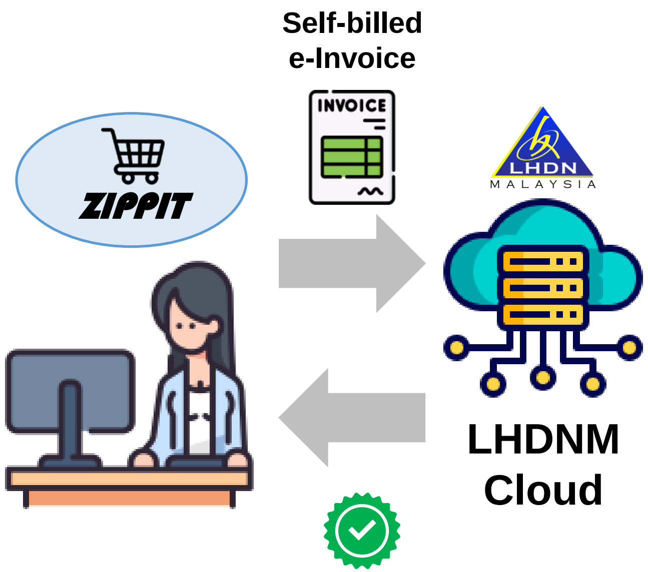
Tina purchases a smartphone from Iphony via e-commerce platform, Zippit

2



As Iphony is not a Malaysian business, it is not required to issue an e-Invoice to Tina

3

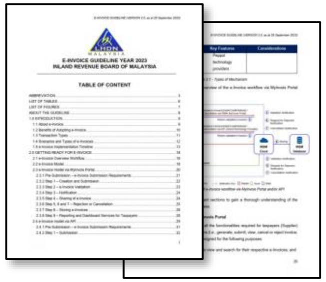


Zippit is required to submit and create a self-billed e-Invoice for Tina's purchase

Resources and References

1. e-Invoice Microsite
2. e-Invoice Guideline
3. e-Invoice Specific Guideline
4. e-Invoice Software Development Kit (SDK)

Four (4) key avenues to provide support to taxpayers in successful e-Invoice adoption



1 e-Invoice Microsite

- Access e-Invoice microsite via LHDNM's Official Portal at https://www.hasil.gov.my

2 e-Invoice Guideline

- **Simplified concept** of e-Invoice for taxpayers
- Guidance in **determining and assessing readiness for implementation** timeline
- **Step-by-step guidance** on e-Invoice issuance and submission process to LHDNM
- **Data fields required** for an e-Invoice

3 e-Invoice Specific Guideline

- Additional guideline that provides **further guidance on specific areas of e-Invoice**
- Guide for various industries on **specific changes required** to business processes and data
- Includes **scenarios to explain different treatments** of e-Invoice issuance (e.g., consolidated e-Invoice, cross-border transactions)

4 e-Invoice Software Development Kit (SDK)

- Technical document detailing **how systems can connect to the API** (i.e. information on input and output responses, message format, validation criteria, error handling, etc.)
- **Guide for technology providers** to simplify the integration process
- Includes range of **options and functionalities**, allowing technology providers to seamlessly issue and submit e-invoices via API

LHDN
MALAYSIA

E-INVOICE ILLUSTRATIVE GUIDE

Published on 1 September 2024

Disclaimer:
This illustrative guide aims to provide better understanding, improve e-Invoice compliance and administrative tasks towards e-Invoice implementation. It is issued for general information only and does not contain final advise or complete information pertaining to a particular topic. Taxpayers should not used it as a legal reference. Taxpayers also are advised to refer to the e-Invoice Guideline and e-Invoice Specific Guideline for more details information and guidance.