



Malaysian Insurance and  
Takaful Brokers  
Associations (“MITBA”)

Summary on current e-  
invoicing development and  
EY approach

# With the 26 July 2024 update from IRBM, all Taxpayers are entitled to a six (6) month interim relaxation period

Targeted Taxpayers	Interim Relaxation Period	Full Implementation Date
Taxpayers with an annual turnover or revenue of more than RM100 million in FY2022	1 August 2024 to 31 January 2025	1 February 2025
Taxpayers with an annual turnover or revenue of more than RM25 million and up to RM100 million in FY2022	1 January 2025 to 30 June 2025	1 July 2025
All other taxpayers	1 July 2025 to 31 December 2025	1 January 2026

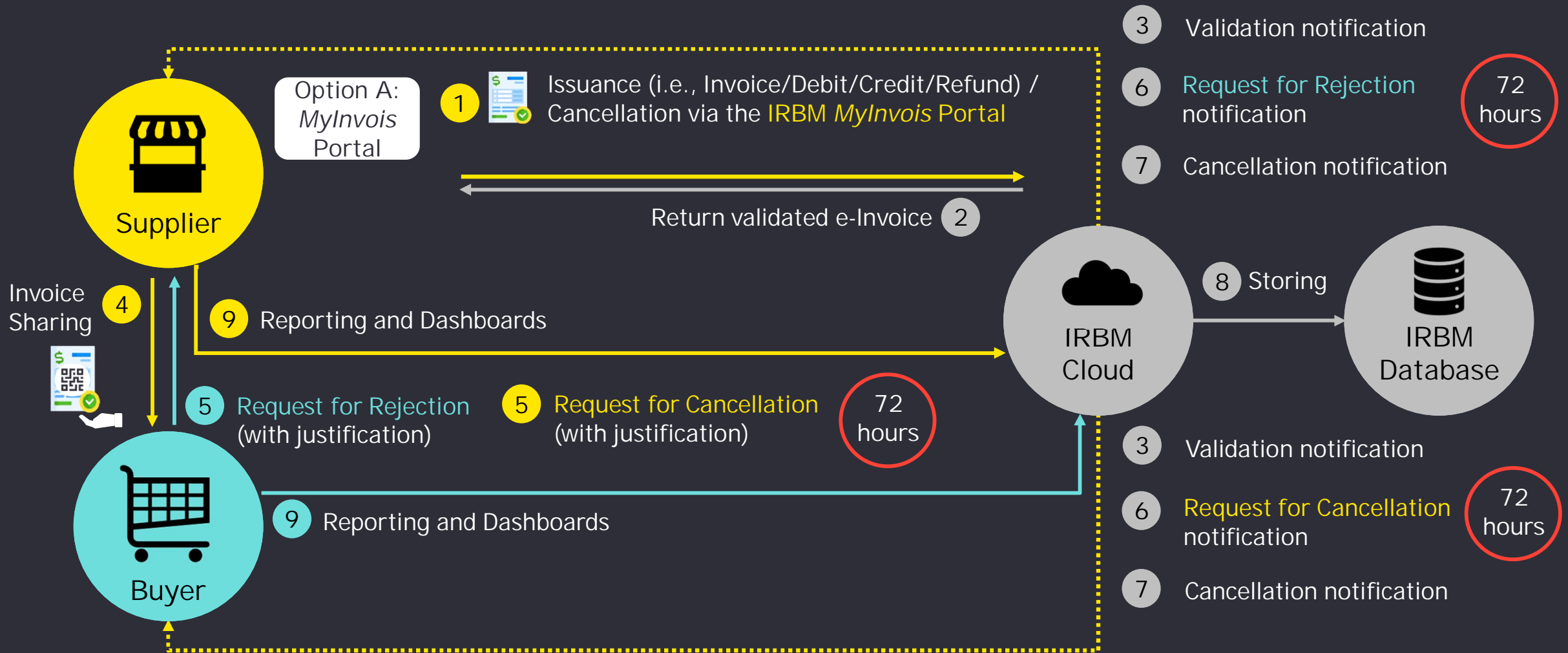
During the **interim relaxation period**, taxpayers are allowed to:

- ▶ Issue consolidated e-Invoice (“EI”) for all activities and transactions (for example, insurance brokerage fee, etc.) on a monthly basis, within 7 days after month end.
- ▶ Issue consolidated self-billed e-Invoice (“SBEI”) for all self-billed circumstances (e.g. foreign suppliers on management expense & inter-co etc.) on a monthly basis, within 7 days after month end.
- ▶ Input any information / details in the “Description of Product or Service” field in the consolidated EI or consolidated SBEI.
- ▶ Not required to issue transactional EI or transactional SBEI, even if the buyer (in the case of EI) / supplier (in the case of SBEI) has made a request for a transactional EI or transactional SBEI to be issued.

Upon **full implementation**, taxpayers must:

- ▶ Issue transactional e-Invoice (EI) for all income (unless consolidated where the buyer does not require an EI) on transactional basis
- ▶ Issue transactional SBEI for applicable transactions (unless specifically allowed for consolidated) by the last day of next month (i.e. for foreign expenses)
- ▶ Consolidated EI / SBEI (on a monthly basis) to be submitted by 7<sup>th</sup> day of next month and input the receipt reference number of consolidated transactions under the “Description of Product or Service” field in the consolidated EI / SBEI, if applicable.

# e-Invoice model and transmission mechanisms via MyInvois Portal (Option A)



# e-Invoice model and transmission mechanisms via MyInvois Portal (cont'd)

MyInvois Portal provides key features as follows:

- ▶ Profile Management for User, Taxpayers, Representative, ERP System and Intermediary; and
- ▶ Document Management includes Submit, View, Reject, Cancel and Print Document.
- ▶ Taxpayers can access the MyInvois Portal via the MyTax Portal, the gateway of HASiL e-Services.

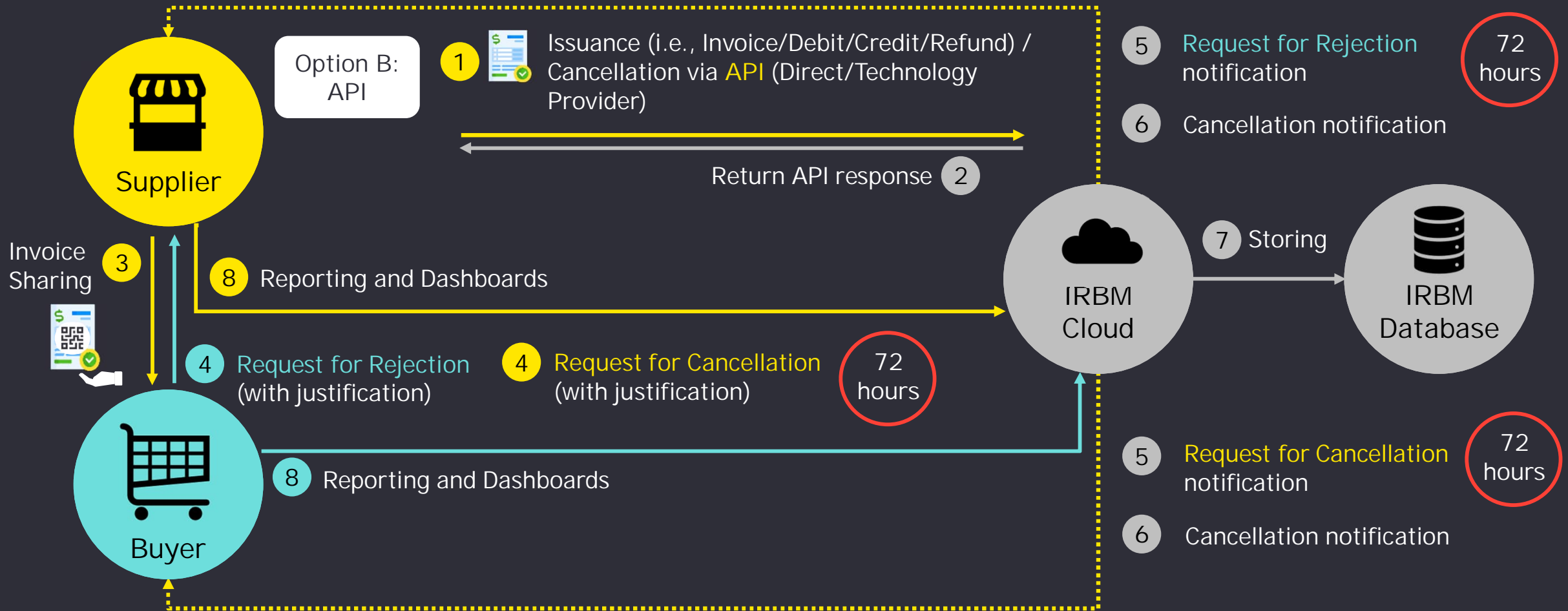
To facilitate the use of the MyInvois Portal, HASiL provides two (2) environments that can be accessed by taxpayers as follows:

User Environment	Description
Testing (Sandbox)	Allow taxpayers to try the functions provided in the portal before using the actual (production) environment. Information sent to the testing environment will not be stored in the HASiL database and will not be migrated to the production environment.
Production (Actual)	Enables taxpayers to submit e-Invoices with real information and use other related functions

IRBM has shared the user guide in using the MyInvois Portal which is accessible by the public in the link as follow:

[User Guide Video | Lembaga Hasil Dalam Negeri Malaysia](#)

# e-Invoice model and transmission mechanisms via API (Option B)

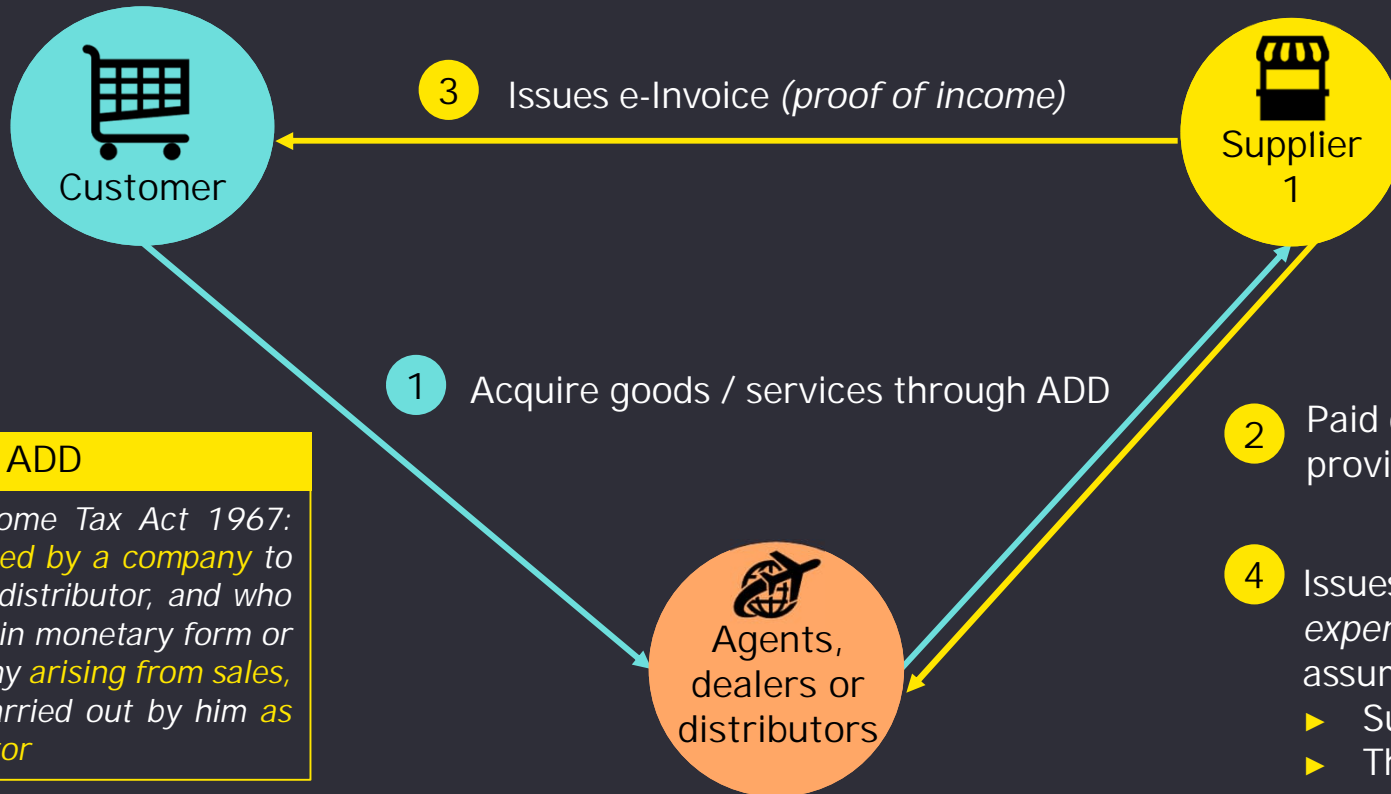


Legend:   
 ———> Invoice Flow   
 .....> Notification Flow   
 [Yellow Box] Supplier   
 [Cyan Box] Buyer   
 [Grey Box] IRBM

# Transactions involving agents, dealers or distributors (“ADD”)

One of the key pertinent e-invoicing issues relating to brokerage industry is **whether the broker is treated as “ADD”**.

Companies that currently make monetary / non-monetary payments to ADDs **MUST issue self-billed e-Invoices**, as below:



## Definition of ADD

Section 83A(4) of the Income Tax Act 1967: any person who is **authorised by a company** to act as its agent, dealer or distributor, and who **receives payment** (whether in monetary form or otherwise) from the company **arising from sales, transactions or schemes** carried out by him as an agent, dealer or distributor

Note: Generally, brokers do not fall under the ADD category, hence they must issue e-Invoice instead of receiving self-billed e-Invoice from insurers. However, this is subject to the contractual agreement signed between brokers and insurers on whether brokers are deemed as the ADD of the insurers.

- 2 Paid commission on the sale of goods / provision of services to Buyer
- 4 Issues self billed e-Invoice (proof of expense), whereby the following roles are assumed:
  - ▶ Supplier 1 - Role of the Buyer
  - ▶ The ADD - Role of the Seller

# EY approach to assist MITBA and its members in the next upcoming months

In the next upcoming months, EY will assist MITBA and its members in the e-invoicing implementation journey towards the nationwide e-invoicing implementation on 1 July 2025 as follows:

## Coordination amongst MITBA members, and with insurers and customers

- ▶ Coordination amongst MITBA members and updates:
  - ▶ Assist in **compiling and reviewing questions from MITBA members**, to conduct research and provide proposed answers/ responses / recommendations
  - ▶ **Regular bi-weekly meeting** to ensure the queries from brokers are discussed and answered promptly
  - ▶ **Sharing of update** from IRBM as well as its **implications** to MITBA and its members
- ▶ Coordination between MITBA with the insurers and customers:
  - ▶ **Represent MITBA** in technical discussion with the insurers on the EI treatments
  - ▶ Assist MITBA to strategise on **public communications**, e.g. collect mandatory information from customers etc.
- ▶ Seek clarification from the IRBM:
  - ▶ Assist in liaising with IRBM to apply for the **phased approach implementation** (if needed)
  - ▶ Liaison with IRBM to seek clarifications on e-invoicing matters as MITBA's advisor

Thank you!



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