

24 June 2024

E-Invoice

Frequently Asked Questions (FAQ) (Version 1.0)

General

- Q1. What is e-Invoice?
A1. An e-Invoice is a file created in the format specified (XML or JSON) by Inland Revenue Board Malaysia (“IRBM”) that can be automatically processed by relevant systems.
- Q2. Why need e-Invoice?
A2. An e-Invoice will serve as proof of income to supplier. Whilst the same e-Invoice will serve as proof of expense to the buyer. E-Invoice is required to substantiate a tax deduction made by the buyer in the event of tax audit.
- Q3. When is MSIG implementing e-Invoice?
A3. MSIG is implementing e-Invoice effective from 1 August 2024.
- Q4. How to determine the implementation date?
A4. The implementation timeline is determined based on the taxpayers annual turnover/revenue for the financial year 2022. It is the annual turnover/revenue stated in the audited financial statements or turnover/revenue reported in the tax return for year of assessment 2022. Please refer to item 1.5 in the E-Invoice Guideline (Version 2.3) from the IRBM’s website ([e-Invois | Lembaga Hasil Dalam Negeri Malaysia](#)) for more information.
- Q5. Is e-Invoice impacting insurers only?
A5. No. E-Invoice is applicable to all businesses.
- Q6. What are the transactions impacted by e-Invoice?
A6. All types of transactions within MSIG, e.g. premium, commission and payments made to intermediaries, claims and expenses, etc. Coinsurance/Reinsurance transactions are still pending confirmation from IRBM.
- Q7. What are the outputs for e-Invoice?
A7. There are various e-Invoice outputs depending on the types of transactions involved. Generally, it comprises e-Invoice, e-Credit Note, e-Debit Note, self-billed e-Invoice, self-billed e-Credit Note and self-billed e-Debit Note.

Premium

- Q8. What will policyholders receive if the e-Invoice validation is successful from IRBM?
A8. Policyholders will receive policy documents together with e-Invoice which is embedded with the QR code.
- Q9. Will policyholders receive invoices if validation is not successful?
A9. Policyholders will receive policy documents together with invoice (without QR code) upon the first transmission. E-Invoice with QR code will be shared with policyholders upon successful validation provided that validation is completed within the policy issuance month.

- Q10. Will intermediary be notified by MSIG on all unsuccessful validations?
A10. Not all unsuccessful validations will be notified to intermediary. MSIG will only notify the intermediary if the validation is rejected by IRBM due to lack of information which requires intermediary to obtain.
- Q11. What will happen if policy is cancelled after e-Invoice is issued?
A11. E-Credit Note will be issued for the cancellation which will be transmitted to IRBM as well and a new QR code will be affixed onto the e-Credit Note.
- Q12. Can policyholders request to amend the buyer's details in the e-Invoice after successful validated by IRBM, i.e. after QR code is generated?
A12. Yes. Policyholders will need to inform the usual contact with MSIG, i.e. the servicing branch/agents/customer service, on the amendments. E-Credit Note will be issued to reverse e-Invoice generated earlier. At the same time, e-Debit Note will be issued to reflect the revised/updated details.
- Q13. What if policyholder does not provide the required data fields by end of the policy issuance month?
A13. No e-Invoice will be issued to policyholder. Notwithstanding of this, MSIG is required to aggregate all policies issued within the same month which are yet to be transmitted to IRBM by end of the month. These policies are to be transmitted to the IRBM in a consolidated e-Invoice by 7th of the subsequent month.
- Q14. Will MSIG issue e-Invoice to all policyholders?
A14. Yes. MSIG will issue e-Invoice to all policyholders, i.e. corporate and individual, provided the required data by IRBM is made available to MSIG. However, if data is lacking and the transaction is rejected by IRBM, the transaction will be included in the consolidated e-Invoice and accordingly no individual e-Invoice will be issued.
- Q15. In relation to Question 13, can policyholder provides the relevant data and request for e-Invoice after the month of transaction? For example, policy is issued in August 2024 (included in consolidated e-Invoice reporting by MSIG) and the policyholder requests e-Invoice in September 2024.
A15. No. Policyholders are encouraged to request for an e-Invoice as soon as possible within the month of transaction. For all transactions which e-Invoice is not generated in August 2024 will be aggregated in a consolidated e-Invoice and to be transmitted to the IRBM by 7th September 2024. This is to ensure MSIG has sufficient time to aggregate the non-validated transactions into the consolidated e-Invoice. Please refer to item 3.6.6 in the E-Invoice Specific Guideline (Version 2.1) for more information.
- Q16. Will the same QR code be affixed to both the policyholder's invoice and intermediary's copy?
A16. No. The QR code will only be affixed to the policyholder's invoice which will serve as proof of expense to the policyholder. The QR code is not affixed to the intermediary's copy because the e-Invoice is for the use of policyholder as proof of expense. Intermediary will continue to receive the normal intermediary's copy of invoice without the QR code.
- Q17. Is the intermediary's name visible in the e-Invoice to policyholder?
A17. No. The intermediary's name is not available in the e-Invoice. The e-Invoice on premium is the commercial transaction between MSIG and policyholders. The 55 data fields transmitted to IRBM does not require intermediary's name. However, the intermediary's account code is still visible in printout copy of the e-Invoice.
- Q18. Will the same QR code be appeared in the reprint copy?
A18. Yes.
- Q19. There are some policies which require multiple invoices to be issued. How is this handled under e-Invoice?
A19. Rightfully, there should be multiple e-invoices to be issued. Please contact your account handler for this specific scenario.

- Q20. What is the impact if intermediaries pay the premium to MSIG on behalf of policyholders?
A20. The payment/settlement will not have any impact on the e-Invoice issuance. The e-Invoice is meant to record the premium transaction between MSIG and policyholder and not the settlement arrangement. Intermediaries can continue to settle the premium in either gross or net basis.
- Q21. Does intermediary require e-Invoice as proof of expense for discount given to policyholder?
A21. This concerns the taxation matters of the intermediary. It is advisable to consult your tax consultant on the intermediary's e-Invoice responsibility in this regard.
- Q22. Does intermediary need to prepare e-Invoice for the amount of road tax when requested by policyholders to pay on behalf the road tax?
A22. No, the intermediary need not to prepare e-Invoice for road tax payment on behalf which will be subsequently be recovered from the policyholder. This transaction is categorised as disbursement or reimbursement. Please refer to item 5 "Disbursement or Reimbursement" in the E-Invoice Specific Guideline (Version 2.1) for more information. It is advisable to consult your tax consultant on the intermediary's e-Invoice responsibility in this regard.

Commission and payments to intermediaries

- Q23. Does intermediary need to prepare e-Invoice to bill MSIG for the services rendered, i.e. commission?
A23. No. Intermediaries need not prepare the e-Invoice. Instead, MSIG will prepare self-billed e-Invoice on behalf of the intermediaries for all types of payments to intermediaries including commission, profit commission, policy printing & internet scheme ("PPIS"), incentive trip, sales campaign award, etc.
- Q24. Will e-Invoice affect the Auto-Commission schedule?
A24. No, as the Auto-Commission is on payment basis. For this purpose, self-billed e-Invoice will be generated on accrued basis, i.e. based on commission earned reflected in the Statement of Account ("SOA"). It is to be noted that only commission will be billed on a accrued basis. All the other payment to intermediaries, e.g. profit commission, PPIS, incentive trip, sales campaign award, etc will generate self-billed e-Invoice upon payment (as and when incurred) or upon preparation of CP58 (subject to IRBM's clarification).
- Q25. Is contra/set-off of commission against the premium allowed?
A25. Yes. The payment/settlement can be contra/set-off. However, e-Invoice must be separately issued and cannot be in the same e-Invoice, i.e. e-Invoice for premium and self-billed e-Invoice for commission.
- Q26. Is intermediary required to issue e-Invoice to their sub-agent?
A26. It is advisable to consult your tax consultant on the intermediary's e-Invoice responsibility in this regard.

Data harvesting

- Q27. What are the data fields to be transmitted to IRBM?
A27. There are 55 data fields that are required to be transmitted to IRBM. Please refer to E-Invoice Guideline (Version 2.3) issued by IRBM for more information.
- Q28. What is the "name of business" required by IRBM?
A28. The name of business refers to the name of the legal entity and not the brand. For example, MSIG Insurance (Malaysia) Bhd is the legally registered name and not just 'MSIG'.

- Q29. What if policyholder/intermediary does not have email address?
A29. Please encourage your policyholders to create an email address as this may be used as a communication platform by IRBM in the future.
- Q30. Where can policyholders/intermediaries obtain their TIN?
A30. This number is the “Nombor Cukai Pendapatan” which is used for the purposes of annual tax filing and can be obtained from MyTax portal (<https://mytax.hasil.gov.my/>). This refers to TIN assigned by IRBM only. Foreign TIN is not required.
- Q31. What is the correct TIN format?
A31. TIN is assigned by IRBM according to the taxpayers’ category, i.e. individual, sole proprietor, partnership, corporation, association, etc. Please refer to your TIN from MyTax portal to ensure accuracy.
- Q32. The policyholder/intermediary is under a partnership which files Form P and every partner is required to report his share of partnership income in his Form B. Which TIN should be provided for e-Invoice?
A32. The policyholder/intermediary should provide the new Business Registration number and TIN assigned to the partnership. If the partnership submitted the individual partner’s TIN to MSIG, e-Invoice will not be validated by IRBM due to mismatch between Business Registration number against the individual TIN.
- Q33. Can policyholders/intermediaries provide old NRIC/old Business Registration number?
A33. No. The IRBM system can only validate new NRIC/new Business Registration number. Do note that SSM has changed the business registration number to a new number since 2019.
- Q34. If policyholder/intermediary is a sole proprietor, should provide NRIC or business registration number?
A34. Subject to IRBM’s clarification. Sole proprietor can provide either new NRIC or new business registration number.
- Q35. Is there a separate TIN for sole proprietor?
A35. No. Sole proprietor is sharing the same TIN that he uses to file his annual tax return. For example, Tan Ah Li’s TIN can be used (e.g. IGXXXXXXXXXX) although the sole proprietorship, ABC Agency is registered under MSIG.
- Q36. What is the new business registration number to be provided for sole proprietor/partnership in Sabah & Sarawak?
A36. IRBM confirmed that for entities in Sabah & Sarawak, the business registration number assigned by the local authorities will be used. For example, Sabah’s trading license number will be used as the business registration number.
- Q37. Under contact number, can we provide office/landline or handphone number for e-Invoice purposes?
A37. Yes, both types of contact number are acceptable but handphone number is preferred.
- Q38. Will policyholder/intermediary’s details be reflected in GenLink after data update in MSIG corporate website?
A38. Yes.
- Q39. If policyholder has multiple policies with MSIG, does policyholder need to provide the required information repeatedly?
A39. No. The policyholder’s information need to be updated one time only although the policyholder has multiple policies with MSIG. The same information should be used for e-Invoice purposes unless policyholder wants to update his details to be transmitted to IRBM for the future transactions.



Q40. Where can policyholder/intermediary update their tax details?

A40. You can update the tax details at [MSIG Website>Contact US>Update Tax Details \(Contact Us | MSIG Malaysia\)](#).

We will keep you updated should there be any changes in regard to the above.

Thank you.

Yours sincerely,
MSIG Insurance (Malaysia) Bhd

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