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ideas & insights

RM3 Million e-Invoice Exemption Threshold: Eligible Taxpayers May Discontinue e-Invoice Issuance Without Prior HASiL Approval

Key Takeaway

- The e-Invoice implementation threshold has been increased from RM1 million to RM3 million, effective 1 September 2026.
- Taxpayers who have already started e-Invoicing but now qualify for the exemption may stop issuing e-Invoices without applying to HASiL.
- Taxpayers who have already started e-Invoicing but now qualify for the exemption may stop issuing e-Invoices without applying to HASiL.

The Inland Revenue Board of Malaysia ("IRBM") has clarified that businesses with annual turnover or revenue below RM3 million that satisfy the prescribed exemption criteria will not be subject to compliance action or penalties, even if they have not issued e-Invoices from their applicable implementation date. The clarification was provided in the latest e-Invoice Frequently Asked Questions (FAQ) issued by IRBM dated 4th August 2026.

Immediate Cessation of e-Invoice Without Prior Approval

Taxpayers who qualify for the e-Invoice exemption but have already commenced e-Invoice implementation may discontinue issuing e-Invoices immediately. Importantly, taxpayers are not required to submit a separate application to IRBM or obtain prior approval to cease e-Invoice implementation.

Under the latest clarification, taxpayers with annual turnover or revenue below RM3 million who satisfy the exemption conditions set out in Section 1.6.10 of the e-Invoice Guideline are eligible for the exemption.

Voluntary e-Invoice Implementation Remains an Option

Businesses that qualify for the exemption are not prohibited from continuing with e-Invoice implementation. Taxpayers may voluntarily continue issuing e-Invoices if they consider it beneficial for their business operations, accounting processes or broader digitalisation efforts.

Tax Incentives

The e-Invoice FAQs also summarise the tax incentives available to eligible taxpayers in relation to e-Invoice implementation, including Accelerated Capital Allowance (ACA) incentives. The applicable incentives, together with their legislative reference or status, key details, and effective period, are set out in a table.

Special Voluntary Disclosure Programme ("SVDP")

FAQs No 123–133 provide taxpayers with greater certainty on the practical application of the e-Invoice SVDP, particularly in relation to historical rectification, the 72-hour cancellation rule, incorrect classifications, subsequent disclosures, consolidated e-Invoices, group entities and third-party service providers. Taxpayers should consider undertaking a review of their historical e-Invoice transactions to identify any outstanding non-compliance and, where appropriate, regularise the position during the SVDP period ending 31 December 2027.

For more details, please refer to :

Source : Inland Revenue Board of Malaysia ("IRBM"), Implementation of e-Invoice in Malaysia – Frequently Asked Questions, updated 4 September 2026.

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