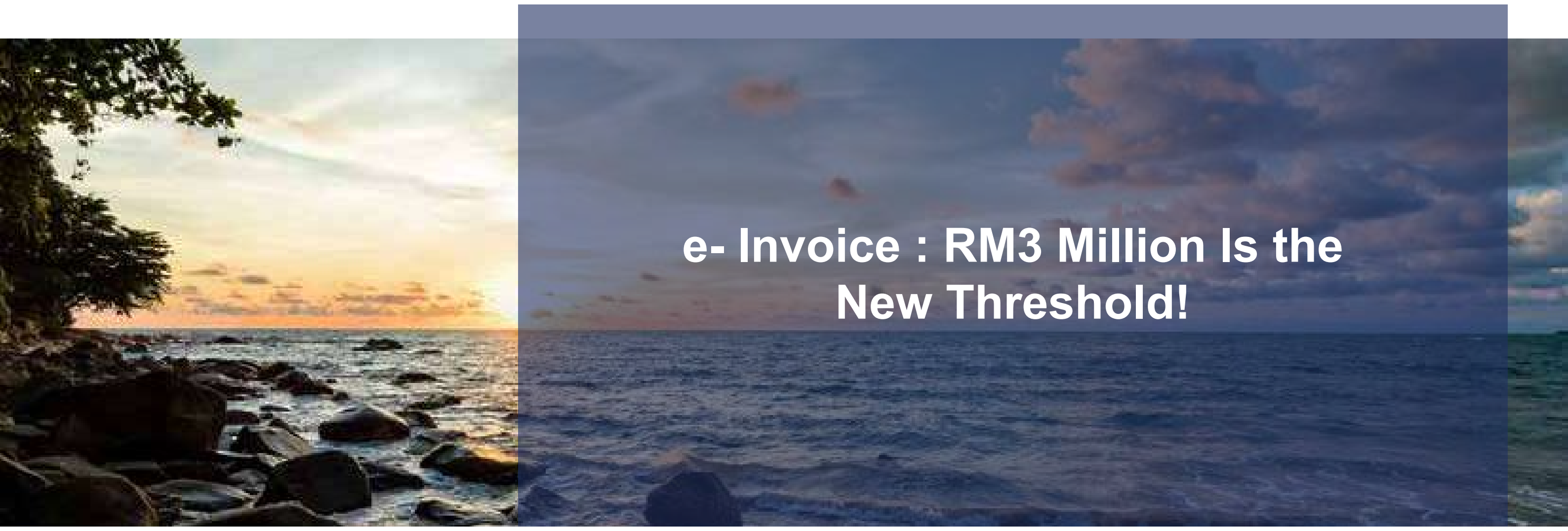
September 2026 - Issue T36

ideas & insights



e- Invoice : RM3 Million Is the New Threshold!

Key Takeaway

- e-Invoice exemption threshold increased from RM1 million to RM3 million, effective 1 September 2026

Tips

- Check your annual turnover/revenue against the RM3 million threshold.
- Check ownership and group structures before relying on the exemption, particularly shareholders, holding companies, related companies and joint ventures.

The Inland Revenue Board of Malaysia ("IRBM") issued e-Invoice Guideline Version 4.8 on 30 August 2026, replacing Version 4.7 dated 7 July 2026. The key amendments relate principally to the e-Invoice implementation timeline and the exemption threshold for taxpayers with annual turnover or revenue below RM3 million.

This represents a significant relaxation for taxpayers with turnover between RM1 million and below RM3 million, who were previously within the e-Invoice framework.

The amendments comprise changes to paragraphs 1.5 and 1.6.1(e), together with the introduction of new paragraphs 1.6.9 and 1.6.10 as below:

Implementation timeline for new businesses

Paragraph 1.5 has been amended to reflect the revised RM3 million threshold in determining the e-Invoice implementation timeline for businesses that commence operations between 2023 and 2025. Businesses that commenced operations during this period should reassess their e-Invoice implementation date based on the revised RM3 million threshold.

Exemption threshold increased

The exemption threshold has been increased from RM1 million to RM3 million.

Specific taxpayers brought into the e-Invoice requirement

This Guide further clarifies the e-Invoice treatment applicable to the following entities:

- Statutory bodies;
- Statutory authorities;
- Local authorities; and
- International organisations.

These entities are required to issue e-Invoices for goods sold or services performed from 1 July 2025 onwards.

Conditions restricting the RM3 million exemption

The exemption for taxpayers with annual turnover / revenue of less than RM3 million applies across taxpayer categories, including individuals, partnerships, companies and cooperatives. However, the exemption does not apply in certain ownership or group-structure circumstances:-

Taxpayer with annual turnover or revenue of less than RM3 million shall not be eligible for the exemption where any of the following conditions apply:

- **Non-individual shareholder**

The taxpayer has a non-individual shareholder (or equivalent) with annual turnover / revenue of RM3 million or more.

- **Subsidiary**

The taxpayer is a subsidiary of a holding company whose annual turnover / revenue is RM3 million or more.

- **Related company / joint venture**

The taxpayer has a related company or joint venture with annual turnover / revenue of RM3 million or more.

For more details, please refer to :

e-Invoice Guideline (Version 4.8), issued 30 August 2026.

Source : Inland Revenue Board of Malaysia ("IRBM")

WHY ShineWing TY TEOH 为什么选择信永中和迪威？

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Global Largest Accounting Firm IAB 2024	Global Revenue (USD' Million) Year 2023	Offices across 21 Countries & Regions Year 2023	People including 640 Partners Year 2023	Malaysia Largest Accounting Firm IAB 2024	Offices across Malaysia Year 2024

- ✓ Registered Auditor of Public Company Accounting Oversight Board (PCAOB), USA
- ✓ Approved Auditor of Labuan Financial Services Authority (Labuan FSA), Malaysia
- ✓ Approved Training Employers
- ✓ Independent Member Firm of Praxity

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