



Taxavvy

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Guidelines for Automation Capital Allowance (Manufacturing & Services Sectors)

The Malaysian Investment Development Authority (MIDA) has issued the Guidelines and Procedures for the Application of Automation Capital Allowance for Manufacturing and Services Sectors (“Automation CA Guideline”) following the announcement of enhanced tax incentive for automation in manufacturing and services sectors in the retabled Budget 2023.



The salient points to note from the Automation CA Guideline are as follows:

Tax incentive

- The Automation Capital Allowance (Automation CA) incentive of 200% on the qualifying capital expenditure (QCE) is extended for online applications received by MIDA from 1 January 2023 until 31 December 2027.
- The threshold for QCE incurred in relation to automation machinery / equipment for both manufacturing and services sectors are aligned and increased up to MYR10 million (previously MYR4 million for labour-intensive industry and MYR2 million for other industries including services sector).
- Adaptation of the following Industry 4.0 elements are included in the scope of automation:
 - Big Data Analytics
 - Cloud Computing
 - Augmented Reality
 - Cybersecurity
 - Artificial Intelligence
 - Additive Manufacturing
 - System Integration
 - Simulation
 - Internet of Things (IoT)
 - Autonomous Robots
 - Advanced Materials

Key eligibility criteria

- A company that has been approved for Automation CA prior to the year 2023 is also eligible for the incentive, provided that the company incurs QCE for different assets.
- The company must incur expenditures in relation to automation machinery / equipment including at least one machinery / equipment / software / system with an adaptation of Industry 4.0.
- Non-eligible machinery / equipment / Industry 4.0 software / system are:
 - Mobile apps for gaming and entertainment, travel-related, online shopping and online booking system for hotel, flights, restaurants.
 - Retail and restaurant self-ordering / self-payment kiosk.

- Standard software applications installed on the computer. i.e. basic programme for everyday use, such as:
 - Office suites
 - Accounting software
 - Graphics software
 - Media player
 - Point-of-sale system
- New machinery / equipment / software / system to replace existing machinery/ equipment with the same specification.
- The machinery / equipment / Industry 4.0 software / system is used directly in the manufacturing / services activity to enhance productivity (verification by SIRIM is required).
- For automation machinery / equipment, the technology utilised must be more advanced than the technology currently used by the company and verified by SIRIM. The machinery / equipment must fulfil at least one of the category areas of automation / automated equipment and has at least one of the automation components (as listed in the SIRIM Info Sheet).
- The machinery / equipment / Industry 4.0 software / system should be used at least one month after installation / commissioning.
- For machinery / equipment / Industry 4.0 software / system used in producing new products, the machinery / equipment / Industry 4.0 software / system must be in operation for at least three months after the production of the first batch of that new product.
- The machinery / equipment / Industry 4.0 software / system purchased with government grant is eligible for the Automation CA incentive. The qualifying expenditures for the Automation CA incentive are based on the amount that is not covered under the grant.

The Automation CA Guideline is available on MIDA's website www.mida.gov.my (Forms and Guidelines > Manufacturing Sector).



Guidelines for further tax deduction for carbon projects

The Malaysian Green Technology and Climate Change Corporation (MGTC) has issued Guidelines for the application for further tax deduction for carbon projects (“the Guidelines”). As announced in Budget 2024, a further deduction of MYR300,000 is given to companies for costs incurred on Measurement, Reporting and Verification (MRV) related to the development of carbon projects.



Application for this incentive is to be made to MGTC between 1 January 2024 and 31 December 2026 and involves two phases:

1. Phase 1 - eligibility verification resulting in a Conditional Approval Letter
2. Phase 2 - verification of trading of carbon credits generated from the carbon project on the Bursa Carbon Exchange (BCX) within five years from the Conditional Approval Letter, culminating in a Final Approval Letter

The claim for further tax deduction can only be made when the Final Approval Letter is issued.

The salient points to note from the Guidelines are as follows:

Tax incentive

- Further tax deduction up to MYR300,000 for one carbon project for each qualifying company.
- The deduction is only allowed against income generated from trading of carbon credits on the BCX.
- The incentive period is for three years commencing from the date of first transaction of carbon credits traded on BCX.

Eligibility criteria

- A company incorporated and tax resident in Malaysia.
- The applicant is the Project Proponent of a carbon project developed within Malaysia, which name is also published on a Recognised Registry.
- The carbon project is developed in Malaysia and has been listed on a Recognised Registry.

Other key conditions for tax deduction

1. The MRV and development cost are expenditure allowable under section 33(1) of the Income Tax Act 1967 and:
 - must not be incurred earlier than the Phase 1 application submission date, and
 - not incurred later than the date of first transaction of carbon credits traded on BCX.
2. Up to three related companies within a group are eligible for the further deduction of up to MYR300,000 per company.

Other key conditions for tax deduction (con't)

3. Separate accounts are to be maintained for the carbon project from the applicant's other business sources.
4. Expenses eligible for the further deduction are those relating to project registration and credit issuance with a Recognised Registry, and engagement with qualified service providers for professional services as required by the Recognised Registry.

Eligible expenses are:

- Fees such as those for project registration, preliminary review, project design review, performance review, credit issuance, crediting period renewal.
- Professional fees related to:
 - a. technical assessment
 - b. baseline emission assessment
 - c. stakeholder consultation with local communities, project participants, NGOs, and other stakeholders as required by the Recognised Registry
 - d. preparation of project design document
 - e. validation fee
 - f. project activity monitoring.

Subsequent claims

Where the costs approved under Phase 2 are less than MYR300,000, a subsequent claim submission can be made to MGTC within three years from the date of first transaction of carbon credits traded on BCX. An Additional Approval Letter will be issued to enable a claim for the further tax deduction to be made.

Processing fee

A processing fee of MYR5,000 applies.

The Guidelines are available on MGTC's website www.mgtc.gov.my (What we do > Green Incentive).



Guidelines for Green Investment Tax Allowance (GITA) Asset for Own Consumption

Following the 2024 Budget, the green technology tax incentives have been revised to the following categories:

- Green Investment Tax Allowance (GITA) Project for Business Purposes;
- Green Investment Tax Allowance (GITA) Asset for Own Consumption; and
- Green Income Tax Exemption (GITE) Solar Leasing.

The MGTC has now issued a Guidelines on (GITA) Asset for Own Consumption (“the Guidelines”).

The salient points of the Guidelines are as follows:

GITA Asset for Own Consumption incentive

The previous GITA Project for Own Consumption and GITA Asset (listed under MyHijau) have been combined to be the GITA Asset for Own Consumption incentive, which is as follows:

Tier	Qualifying assets* under the following qualifying activities	Incentive	Incentive period
1	<ul style="list-style-type: none"> • Electric Vehicle (EV) for commercial / industrial use only • EV Infrastructure • Green Building • Battery Energy Storage system 	100% ITA to be set off against 70% statutory income	QCE incurred during the period 1 January 2024 to 31 December 2026
2	<ul style="list-style-type: none"> • Energy Efficiency • Renewable Energy System • Waste composting / recycling • Water recycling / harvesting 	60% ITA to be set off against 70% statutory income	

**Full list of qualifying assets is listed in Appendix 1 and 2 of the Guidelines*



Key eligibility criteria

Eligible company	<p>A company incorporated under the Companies Act 2016 and resident in Malaysia which is:</p> <ul style="list-style-type: none"> • a newly established company that incurred QCE under GITA Asset, or • an existing company operating in Malaysia but has not incurred QCE under GITA Asset and has not been approved for Green Technology incentive.
Conditions for companies within the same group incurring the QCE	<p>There should be a separation as follows for the project:</p> <ul style="list-style-type: none"> • carried out in a building / location separate from other activities of the holding / related companies • separate plant, machinery and equipment used which are not transferred from the holding / related companies • separate set of employees as that of the holding / related companies except for the management staff and directors of the company. <p>The project also must not result in a reduction in the investment of the holding / related companies.</p>
Conditions for the QCE	<p>All of the following must be satisfied:</p> <ul style="list-style-type: none"> • minimise the degradation of the environment or reduce greenhouse emission • promotes health and improvement of environment, and • conserves the use of energy, water and / or other forms of natural resources or promote the use of renewable energy or able to recycle waste material resources. <p>In addition, the QCE:</p> <ul style="list-style-type: none"> • Must be an asset approved by MOF, verified by MGTC and listed under the MyHIJAU Directory. • For Green Building - verified by the local Green Building Rating Tools / Certification Body approved by Government. • Must be new and owned by the company. • Must be used in the business carried out by the company in Malaysia and is for own consumption and not for income generation.

The Guidelines are available on MGTC's website www.mgtc.gov.my (What we do > Green Incentive).

Updated e-Invoice guidelines

The Inland Revenue Board (IRB) has issued updated e-Invoice Guidelines and e-Invoice Specific Guidelines, both dated 28 June 2024.



The following are the salient changes:

e-Invoice Guidelines (version 3.0)

1. New items for which e-invoices are not required are:
 - a. Contract value for the buying or selling of securities or derivatives traded on a stock exchange or derivatives exchange in Malaysia or elsewhere.
 - b. Disposal of unlisted shares of a company incorporated in or outside Malaysia except where the disposer is a company, limited liability partnership, trust body or co-operative society.
2. As Suppliers are obliged to share the validated e-invoice with the Buyer, and IRB recognises the practical challenges faced, hence as a concession, IRB is allowing the Supplier to share either the validated e-Invoice or a visual representation of it until further notice.
3. Information on the series of validation status (from submitted, valid, invalid and cancelled) of the e-Invoice within the MyInvois System has been included.
4. New information has been inserted on the sharing of e-Invoice information between IRB and the Royal Malaysian Customs Department (RMCD):
 - a. Information submitted to the MyInvois System will be shared with the RMCD.
 - b. Taxpayers are allowed to adopt any visual representation format for e-Invoice as per current practice and are advised to include any another other particulars as may be required under the applicable laws, rules and regulations, e.g. Service Tax Regulations 2018.

e-Invoice Specific Guidelines (version 2.2)

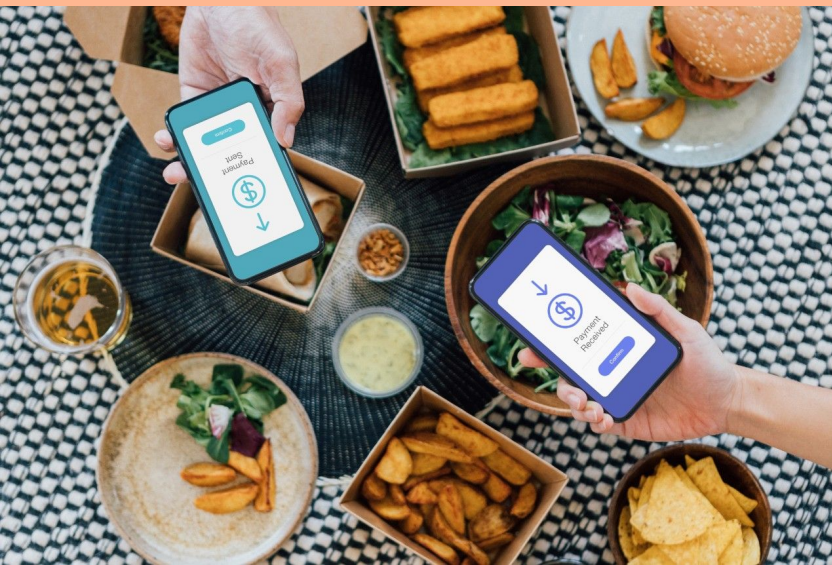
1. The Buyer is to issue a self-billed invoice for claim, compensation or benefit payments from the insurance business.
2. Consolidated invoice will also apply (a new exception) to self-billed e-Invoice for claim, compensation or benefit payments from the insurance business to individuals who are not conducting a business.
3. As Suppliers are obliged to share the validated e-Invoice with the Buyer, and IRB recognises the practical challenges faced, hence as a concession, IRB is allowing the Supplier to share either the validated e-Invoice or a visual representation of it until further notice.

e-Invoice FAQs

The IRB has updated the General Frequently Asked Questions for Implementation of e-Invoice in Malaysia (General FAQ) and issued the following industry specific FAQs:

- Aviation (new)
- Financial services, stockbroking and unit trust (new)
- Healthcare (updated)
- Insurance and takaful (new)
- Tourism (new)

The FAQs are available on IRB's website www.hasil.gov.my (Top Pages > e-Invoice)



General FAQ (updated as at 28 June 2024)

Below are the salient points from the updated General FAQs:

- Taxpayers are allowed to claim tax deduction / personal tax relief without an e-Invoice (using existing documentation) until such time the legislation is amended.
- Taxpayers are required to include the details of sales tax exemption (i.e. C3 exemption approval number) when issuing e-Invoice or self-billed e-Invoice for harmonisation with RMCD.
- Taxpayers are responsible to verify with their foreign supplier / foreign buyer on the availability of specific TIN before applying the general TIN for the purposes of issuing e-Invoice or self-billed e-Invoice.
- Taxpayers registered with an authority / body other than Companies the Commission of Malaysia are required to input the relevant registration number when issuing an e-Invoice.
- Cancellation and reissuance of new e-Invoice can be made within 72 hours from time of validation by IRB. Any editing of information after 72 hours from the time of validation would require issuance of a new e-Invoice (i.e. debit note, credit note, refund note e-Invoice) to adjust the original e-Invoice.
- Taxpayers are allowed to issue one single credit note / debit note / refund note e-Invoice to adjust multiple original e-Invoices / consolidated e-Invoices.
- Import / export of goods or services
 - Where the visual representation of e-Invoice contains all the information required by Sales Tax or Service Tax (SST) Acts / Regulations / Guidelines, the taxpayers should be allowed to use the same visual representation for SST purposes.
 - For drop shipment transactions where the goods are not imported into Malaysia, the timing of issuance of self-billed e-Invoice will be upon the foreign invoice being recorded in the Malaysian taxpayer's accounting system. Taxpayers may exclude the "Reference Number of Customs Form No. 1, 9, etc." field when issuing e-Invoice / self-billed e-Invoice for IRB's validation.

General FAQ (updated as at 28 June 2024) (cont'd)

- e-Invoice treatment for certain transactions:

Payment of utility expenses of a rented property	<ul style="list-style-type: none"> • The tenant is required to issue a self-billed e-Invoice if the landlord is not conducting a business. Where the landlord is conducting a business, e-Invoice should be issued by the landlord
Consignment arrangement	<ul style="list-style-type: none"> • The consignor should issue the e-Invoices to the consignee upon sale / consumption of goods by the consignee in accordance with the current consignor's practice in issuing invoices
Payment to agents, dealers and distributors (ADDs)	<ul style="list-style-type: none"> • The taxpayer is required to issue a self-billed e-Invoice for payment made to ADDs irrespective of whether the ADDs are individuals or corporates. The issuance of self-billed e-Invoice from the taxpayer to ADDs can be done on either an accrual basis or paid basis, as long as this is consistently applied and in line with the documentation provided to the ADDs. • For monetary incentive payments, self-billed e-Invoices can be issued based on the periodic statements provided to agents following current practice / frequency. • The data for non-monetary incentives (e.g. incentive trips, gifts, etc.) can be transmitted upon the availability of such information (i.e. during the preparation of annual CP58 or upon issuance of periodic invoices / statements to ADDs). • A self-billing arrangement can be issued on a net basis (gross amount minus reversals), which matches the total amount paid as presented in the statements to agents, provided the line details of the commission reversals are included in the self-billed e-Invoice.
Free / refundable vouchers	<ul style="list-style-type: none"> • Giveaway of vouchers (free vouchers) / Sale of refundable vouchers: No e-Invoice is required • Utilisation (redemption) of refundable vouchers: To issue e-Invoice (the "Total Excluding Tax" at invoice level matches the total sales for the transaction) • Upon expiry of free vouchers: No e-Invoice is required • Upon expiry of refundable vouchers: To issue e-Invoice • Issuance of e-Invoice is not required for the purchase-with-purchase voucher if the said voucher is provided for free.
Non-refundable vouchers	<ul style="list-style-type: none"> • Sale of non-refundable vouchers: To issue e-Invoice • Utilisation (redemption) of non-refundable vouchers: To issue e-Invoice (the "Total Excluding Tax" at invoice level matches the amount of sales not settled by the non-refundable vouchers) • Upon expiry of non-refundable vouchers: No e-Invoice is required

General FAQ (updated as at 28 June 2024) (cont'd)

- e-Invoice for Micro, Small and Medium Enterprises (MSMEs):
 - MSMEs with annual gross takings exceeding MYR150,000 for goods sold or MYR100,000 for services performed are required to issue serially numbered receipts for all transactions. The receipt reference number needs to be included in the consolidated e-Invoice issued for IRB's validation. MSMEs below the abovementioned thresholds are not required to issue receipts and may use a single line description in their consolidated e-Invoice to report their monthly revenue to IRB.
 - MSMEs are allowed to issue consolidated e-Invoice to record all transactions conducted in the previous month, except for activities / transactions stipulated under section 3.7 of the e-Invoice Specific Guidelines.
 - MSMEs are allowed to issue e-Invoice in advance of their implementation timeline if they are ready.

FAQ on the implementation of e-Invoice for the aviation industry

The following are the salient points to note:

1. e-Invoice is required for sale of flight tickets or private charter by local airlines regardless of point-of-sale, and for foreign airlines where the point-of-sale is Malaysia.
2. As Buyer's personal information may not be made available in this industry due to data protection regulations (e.g. European Union's General Data Protection Regulation, etc), IRB has allowed the following concession on the Buyer's details in the e-Invoice:
 - a. Buyer's name: Supplier to input "General Public" in the e-Invoice.
 - b. Buyer's Tax Identification Number: Supplier to input "EI0000000020" in the e-Invoice, regardless of whether the Buyer is local or foreign.
 - c. Other Buyer's details (i.e. address, contact number, SST registration number): Supplier to input "NA" in the e-Invoice.
3. Airlines are to issue e-Invoice where there are changes (higher / lower) to the price of the flight tickets.
4. Airlines may issue a single or separate e-Invoice for the flight tickets and flight-related ancillaries / non-flight related ancillaries where they are sold together with the flight ticket by the airline.
5. Where non-flight related ancillaries are sold by the airline as an agent on behalf of the service provider, the service provider is to issue the e-Invoice / receipt according to Buyer's request.

FAQ on the implementation of e-Invoice for the financial services, stockbroking and unit trust industry

Key points to note from the FAQ are:

Financial services

- Financial institutions are required to obtain customers' consent for the issuance of individual e-Invoices to customers.
- Financial institutions are required to input the relevant and appropriate descriptions in place of the statement / bill reference number under the "Description of Product or Service" field in the consolidated e-Invoice.
- Financial institutions are allowed to issue consolidated e-Invoice for transactions where the customers do not require an e-Invoice.
- Where customers request for e-Invoice to be issued, financial institutions are required to issue e-Invoice that can be visually presented in the format of periodic statements / bills with details on the amounts owed by the customer (e.g. transaction charges, etc.) as well as payments / credits to the customer (e.g. rebate, interest income from placement of deposit, etc.).
- For accounts that are jointly owned by more than one party, e-Invoice will be issued to the principal account holder. A separate e-Invoice will be issued to the other account holder(s) upon request.
- Financial institutions are allowed to make adjustments to previously issued e-Invoice in the following month's e-Invoice.

- e-Invoice treatment for the following transactions:

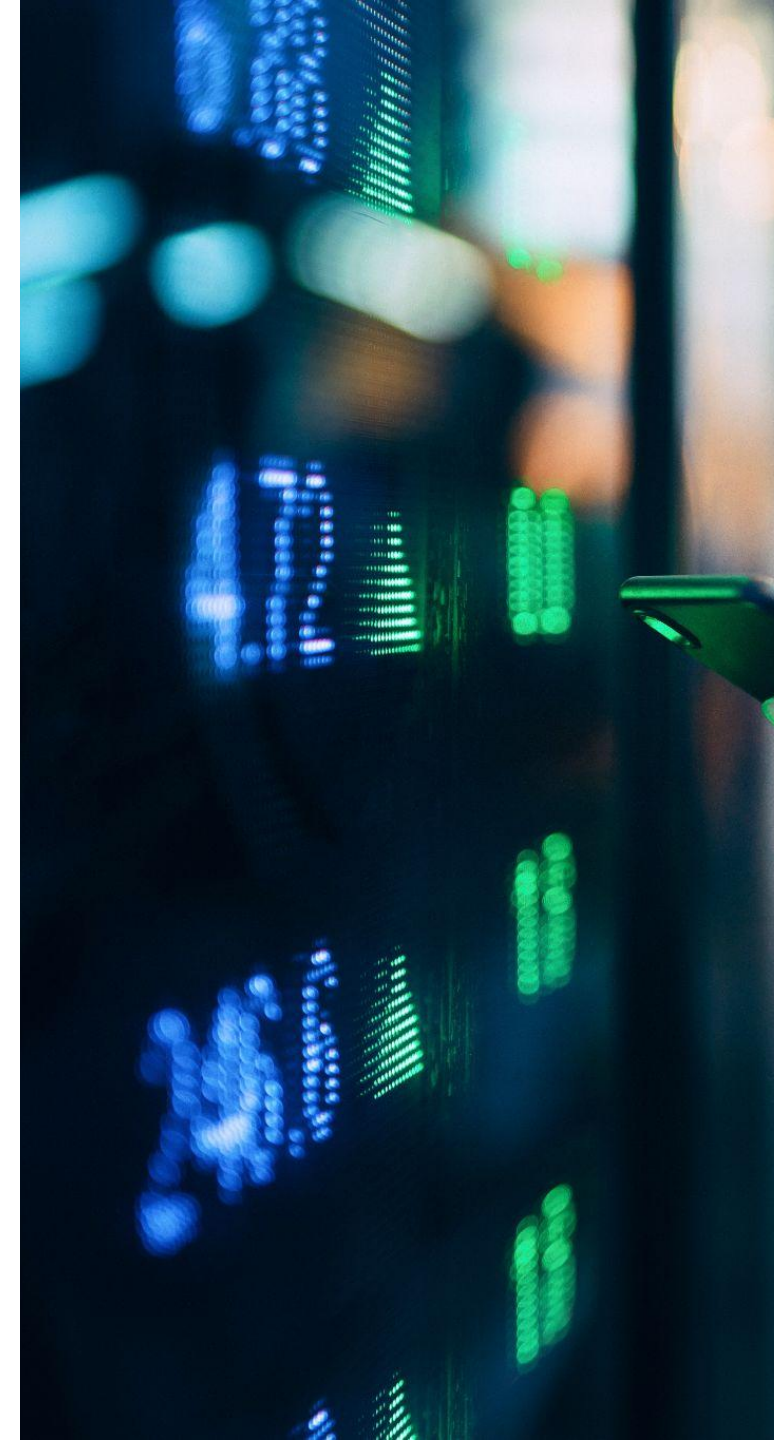
<i>Type of transactions</i>	<i>Issuance of e-Invoice</i>
Interest charged on: - Loan / financing to individuals and businesses - interbank lending and borrowing	
Premium or upfront fee (non-refundable in nature)	Yes
Processing / transfer fee charged by foreign agent in an inward remittance transaction which is to be recovered from the local recipient	
Charges and fees paid to foreign card network processors and foreign operators	Yes (self-billed)
Card rewards programme: - cashbacks	Yes
- redemption of goods / services	Yes (if there are charges not covered by the redeemed amount)
- reward points	Not required (if points are awarded for free)
Repayment of loan principal	
Accounting or audit adjustments, including: - realised or unrealised gains or losses - amortisation / accretion of premium, fee or reserve - foreign exchange gains or losses	Not required

Securities and derivatives broking

- Buying and selling of securities and / or derivatives traded on a stock exchange or derivatives exchange in Malaysia or elsewhere is currently exempted from e-Invoice.
- Brokers are allowed to issue e-Invoice which include the amount owing by clients as well as payment / credit to clients, and convert the validated e-Invoice into visual presentation in the form of contract note / statement or monthly statement of account to their clients.
- Brokers are required to input the relevant and appropriate descriptions in place of the statement / bill reference number under the “Description of Product or Service” field in the consolidated e-Invoice.
- The collection on behalf (e.g. stamp duty, third party fees, etc.) charged by the third party to the broker is required to be included in the e-Invoice issued by the broker to the investors.
- Issuance of e-Invoice is required for the fees charged by Bursa Malaysia Depository Sdn Bhd.
- Authorised Depository Agents are required to issue e-Invoice for rebate income-related to CDS fees.
- Where a nominee company receives foreign dividend on behalf of its client and pays net dividend, after charging administrative / processing fees, to its client, the e-Invoice treatment are as follows:
 - i. The client is required to issue e-Invoice (where applicable) for the foreign dividend income.
 - ii. The nominee company is required to issue e-Invoice for the administrative / processing fees charged to its client.

Unit trust

- Issuance of e-Invoice is not required when no commission or sales charges arise from the investment transaction through Unit Trust Management Company (UTMC).
- UTMC is required to issue e-Invoice to end investors of Private Retirement Scheme fund for the Private Pension Administrator charges.



FAQ on implementation of e-Invoice for healthcare industry

The following are the salient points to note:

1. If the hospital issues a proforma bill to an insurance company for the request of the Final Guarantee Letter, and the buyer requests for an e-Invoice, the hospital is required to issue e-Invoice upon finalisation of the medical services billing (i.e. discharging of the patients). Consolidated e-Invoice is allowed if the buyer does not request for an e-Invoice upon finalisation of the medical services billing.
2. The billing arrangement for medical consultancy services provided by independent doctors are as follows:

Type of arrangement	Issuance of e-Invoice
Co-provision of medical services	e-Invoices for hospital services and consultancy services will be issued to the patient by the hospital and the doctor separately.
Outsourcing arrangement	<ol style="list-style-type: none"> (a) Between hospitals and doctors <ul style="list-style-type: none"> - e-Invoice is to be issued to the hospital by the doctor or the company representing the doctor. (b) Between hospitals and patients <ul style="list-style-type: none"> - e-Invoice covering both hospital services and consultancy services will be issued to the patient by the hospital.

3. Where the “contract for service” is between a hospital and the locum doctors and nurses or the agency representing the locum doctors and nurses, e-Invoice is to be issued to the hospital by the individuals or the agency. Arrangement involving “contract of service”, i.e. employment income is exempt from e-invoice per prevailing e-Invoice Guideline.
4. The e-Invoice treatment for inter-hospital patient referral / transfers are as follows:
 - a. If the patient is discharged directly from the referring (sending) hospital before admission to the referred (receiving) hospital and subsequently discharged at the referred hospital upon completion of medical treatment, the referring hospital and referred hospital may each issue an e-Invoice upon finalisation of the medical services billing.
 - b. If the referred patient is transferred back to the referring (sending) hospital for discharge (i.e. no bill is issued at the time of transfer to the referred hospital and the referred hospital bills the referring hospital for the medical services rendered), the referring hospital may issue e-Invoice upon finalisation of the medical services billing. The referred hospital will then issue e-Invoice to the referring hospital upon conclusion of the transaction.
5. If there is an existing billing arrangement, the hospital can issue an e-Invoice to the employees for free medical services at a nil amount. Otherwise, where there is no such practice, hospitals are not required to issue the e-Invoice.

FAQ on implementation of e-Invoice for insurance and takaful industry

The following are the salient points to note:

General

- Consolidated e-Invoices based on annual premium statements are permitted where the policyholders do not require an e-Invoice.
- Issuance of e-Invoices should follow the current process and there is no need to exclude the period prior to 1 August 2024 (the mandatory implementation date).

Underwriting and distribution

- A breakdown of the premiums for the different policies is required in the e-Invoice.
- For joint policyholders, the principal policyholder should be indicated as the Buyer.
- Where the e-Invoice of the collection on behalf (of policyholders, e.g. stamp duty, etc.) is to the insurance company, the collection is to be included in the e-Invoice to the policyholder and will not be recognised as the insurance company's income.
- Where there is a master policy and an intermediary, the insurance company should issue the e-Invoice to the intermediary. The insurance company will only issue an e-Invoice for the premium to the end customer if the intermediary does not do so.
- A refund note is required where the policy termination involves a refund. Exceptions are wrong payment / over payment by policyholders and return of security deposits.

Claims and benefits payment

Self-billed e-Invoice is to be issued for insurance claims / compensation / benefit payments with the policyholder / beneficiary as the Supplier, regardless of whom the claim is paid to.

Others

- e-Invoice is not required for interfund charges (e.g. investment-linked policy charges, wakalah fees, qard, actuarial surplus transfer, etc.) as these are transactions within the same legal entity.
- e-Invoice shall be issued for interest on policy loan / APL and late payment interest.
- Self-billed e-Invoice is required for bonus paid or distribution of surplus payment / investment profit to participants.



FAQ on implementation of e-Invoice for tourism industry

The following are the salient points to note:

- Responsibility for issuing e-Invoice for flight tickets or private air charters:
 - If the travel agent acts as the principal (i.e. purchase from the airline operator and reselling to the consumer), the travel agent is required to issue e-Invoice for the flight ticket to the consumer. The airline operator is required to issue an e-Invoice to the travel agent for the sale of flight tickets.
 - If the travel agent acts as agent (i.e. flight tickets are sold on behalf of the airline operator), the airline operator is required to issue e-Invoice for the flight ticket to the consumer.
- Consolidation of e-Invoice is not allowed for the sale of flight tickets or private air charters by travel agencies. However, consolidated e-Invoice for tour packages which are exclusive of flight tickets would be allowed and shall be validated by the IRB within seven calendar days after the month end.
- Buyer's details for the purposes of issuing e-Invoice by travel agent (acting as principal):

Scenario	Buyer's details for e-Invoice
a. If flight ticket is purchased by individual for his own travel or for another individual who is the passenger	The person who made the purchase
b. If multiple flight tickets are purchased in a single booking (group purchase)	Depending on the seller's preference, the following options are available: <ul style="list-style-type: none"> i. The person who made the purchase, or ii. Separate e-invoices for each passenger in the booking.

- Travel agents are required to issue e-Invoice for non-refundable deposits collected (not required for refundable deposits).
- e-Invoice treatment in relation to the third-party tour guides services engaged by the travel agent
 - Local tour guide: The tour guide is required to issue an e-Invoice to the travel agent.
 - Foreign tour guide: Travel agent to issue a self-billed e-invoice.



MyInvois Portal

The IRB has made the MyInvois Portal available for the purposes of the implementation of e-Invoicing by Phase 1 taxpayers from 1 August 2024.

Taxpayers may submit an e-Invoice to IRB via the following methods:

- Application Programming Interface (API) for companies that have their own software
- MyInvois Portal

The MyInvois Portal provides the Profile Management and Document Management features and can be accessed by taxpayers under two environments:

1. Testing (Sandbox)
2. Production (Actual)

Testing environment

This environment 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 IRB's database and will not be migrated to the production environment.

The user manual and user guide are available at the testing portal link <https://preprod-mytax.hasil.gov.my>

Production environment

The production environment enables taxpayers to submit e-Invoices with real information. The user manual and user guide are available at the portal link <https://mytax.hasil.gov.my>



Updated Tax Investigation Framework

The IRB has recently issued an updated Tax Investigation Framework, which replaces the earlier Tax Investigation Framework dated 1 January 2023, with effect from 31 May 2024.



Highlights from the updated Tax Investigation Framework are as follows:

Investigation procedures

- In addition to unannounced site visits, investigation may also be conducted by issuing letters requesting for documents and information from the taxpayer, tax agent and third party.
- Taxpayers may be required to give information and oral explanation at IRB offices.
- IRB officers may also visit the taxpayer's business premise with written notification given prior to the visit.

Payment procedure

- Where an instalment is granted, the first instalment has to be 25% of the tax and penalties and paid upon signing of the letter of undertaking.

The above appears to be reinstated from and are similar to those previously stated in the Tax Investigation Framework dated 1 January 2020. The updated Tax Investigation Framework is available on IRB's website www.hasil.gov.my (Legislation > Framework > Tax Investigation Framework).

Extension of incentives for the Sabah Development Corridor

The following amendment orders have been gazetted to extend the incentives for the Sabah Development Corridor (SDC):

- Income Tax (Exemption) (No. 11) Order 2018 (Amendment) Order 2024
- Income Tax (Exemption) (No. 12) Order 2018 (Amendment) Order 2024
- Stamp Duty (Exemption) (No. 8) Order 2018 (Amendment) Order 2024

The incentives are extended as follows:

1. The application for the SDC incentives (investment tax allowance and income tax exemption) must be submitted to the Sabah Economic Development and Investment Authority by 31 December 2024 (previously 31 December 2022).
2. Instrument chargeable with *ad valorem* duty for the transfer of a qualifying real property must be executed not later than 31 December 2024 (previously 31 December 2022).

Please refer to [TaXavvy 2/2019](#) for further details of the SDC incentives.



Extension of income tax exemption for approved development manager in Iskandar Malaysia

The Income Tax (Exemption) (No. 19) 2007 (Amendment) Order 2024 has been gazetted to extend the tax incentive for approved development managers in Iskandar Malaysia.

The income tax exemption on statutory income derived by approved development managers from the provision of management, supervisory or marketing services to approved developers in the Iskandar Development Region has now been extended until year of assessment (YA) 2024 (previously YA 2020).

This incentive shall not apply to approved development managers which have been granted tax exemption via a gazette order or an approval from the Ministry of Finance under section 127(3)(b) or section 127(3A) of Income Tax Act 1967.

The Income Tax (Exemption) (No. 19) 2007 (Amendment) Order 2024 is deemed to have come into operation from YA 2021.



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