KAIZEN 啓源
www.kaizencpa.com
TRUST CAN ONLY BE EARNED

KAIZEN CPA LIMITED
啓源會計師事務所有限公司
Rooms 2101-05, 21/F., Futura Plaza
111 How Ming Street, Kwun Tong, Hong Kong
香港觀塘巧明街111號富利廣場21樓2101-05室
T: +852 2341 1444
E: info@kaizencpa.com

Change in E-Invoice Implementation Threshold Value in Malaysia

The Malaysia government has raised the e-Invoice implementation exemption threshold, announced by the Prime Minster during the National Day address and subsequently confirmed through HASiL Media release on 30 August 2026. In line with this change, the e-Invoice Guideline has been updated to Version 4.8 to reflect the new threshold and to clarify areas of ambiguity.

1. Change in Threshold Value

Effective from 1 September 2026, the minimum threshold for implementing e-invoice has been raised from RM1,000,000 to RM3,000,000. Taxpayers with an annual turnover or revenue of less than RM3,000,000 are now exempted from issuing e-Invoices, including self-billed e-Invoices. This exemption remains subject to the conditions set out in Section 3 below.

2. Latest E-Invoice Implementation Timeline

e-Invoice is being rolled out in phases to allow taxpayers adequate time to prepare for and adapt to the new requirements and regulations. The timeline has been revised on several occasions, and the current position is set out below:

No.	Targeted Taxpayers	Implementation Date	Interim Relaxation Period
1.	Annual turnover or revenue of more than RM100,000,000	1 August 2024	31 January 2025
2.	Annual turnover or revenue of more than RM25,000,000 and up to RM100,000,000	1 January 2025	30 June 2025
3.	Annual turnover or revenue of more than RM5,000,000 and up to RM25,000,000	1 July 2025	31 December 2025
4.	Annual turnover or revenue of up to RM5,000,000	1 January 2026	31 December 2027
5.	Annual turnover or revenue of up to RM5,000,000 (include new businesses or operation commencing from the year 2023 to 2025 with annual turnover or revenue of at least RM3,000,000)	1 July 2026	31 December 2027
6.	Annual turnover or revenue of less than RM3,000,000	Exempted	Exempted

SHENZHEN 深圳
Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen, China
中國深圳市羅湖區深南東路5002號
地王商業中心12樓1203-06室
T: +86 755 8268 4480

SHANGHAI 上海
Room 1201, 12/F., Tower A
Guangqi Culture Plaza
2899A Xietu Road, Xuhui District
Shanghai, China
中國上海市徐匯區斜土路2899甲號
光啓文化廣場A座12樓1201室
T: +86 21 6439 4114

BEIJING 北京
Room 303, 3/F.
Interchina Commercial Building
33 Dengshikou Street
Dongcheng District, Beijing, China
中國北京市東城區燈市口大街33號
國中商業大廈3樓303室
T: +86 10 6210 1890

TAIPEI 台北
Rooms 7F-702, 7/F., 188 Section 5
Nanjing East Road
Songshan District, Taipei
Taiwan 105411
台灣台北市松山區南京東路五段
188號7樓7F-702室
郵編: 105411
T: +886 2 2711 1324

TOKYO 東京
Rooms 502-03, 5/F.,
Lions Mansion Matsugaya
1-4-6 Matsugaya, Taito, Tokyo
Japan 111-0036
日本東京都台東區松谷1-4-6
獅子大廈5樓502-03室
郵編: 111-0036
T: +81 3 5776 2637

SINGAPORE 新加坡
138 Cecil Street, #13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

KUALA LUMPUR 吉隆坡
Menara Suezcap, Tower 2
E-13A-3A, No. 2 Jalan Kerinchi
Gerbang Kerinchi Lestari
59200 Kuala Lumpur, Malaysia
T: +60 19 2177 344

NEW YORK 紐約
202 Canal Street, Suite 303, 3/F.
New York, NY 10013, USA
T: +1 646 850 5888

LONDON 倫敦
Room 5, 2/F., 39-41 High Street
New Malden, Surrey
KT3 4BY, UK
T: +44 20 3910 8392

For new business or operation commencing from year 2026 onwards, where the taxpayer's turnover or revenue in its first year of operation is expected to all below the threshold (e.g. RM3,000,000), the e-Invoice implementation date is 1 January of the second year following the year in which its annual turnover or revenue reaches the threshold.

3. Requirements for Exemption from E-Invoice Implementation

The following persons are currently exempted from the obligation to issue e-Invoices, including self-billed e-invoice:

(1) Foreign diplomatic offices
(2) Individuals not carrying on a business
(3) Statutory bodies, statutory authorities and local authorities, in respect of payment collections, statutory levies, summons, compounds and penalties collected in carrying out functions assigned to them under any written law and in respect of transactions involving goods sold and services performed before 1 July 2025.
(4) International organisation, in relation to transactions involving goods sold or services performed before 1 July 2025 (refer to the e-Invoice Guideline for the list of international organisations)
(5) Taxpayers with an annual turnover or revenue of less than RM3,000,000.

For clarity, statutory body, statutory authority, local authority and international organisation is required to implement e-Invoice from 1 July 2025 onwards in relation to transactions involving goods sold or services performed.

The exemption for taxpayers with an annual turnover or revenue of less than RM3,000,000 applies to all categories of taxpayers. However, it does not apply to:

(1) taxpayer with non-individual shareholder (or equivalent) with annual turnover or revenue of at least RM3,000,000; or
(2) taxpayer is a subsidiary of a holding company with an annual turnover or revenue of at least RM3,000,000; or
(3) taxpayer has related company* or joint venture with annual turnover or revenue of at least RM3,000,000.

A "related company" has the meaning assigned to it in Section 2 of the Promotion of Investment Act 1986. In general, a related company is one that controls, is controlled by, or is under common control with another company, whether directly or indirectly.

For further information, please visit the official website of the Inland Revenue Board of Malaysia at https://www.hasil.gov.my/en

KAIZEN Group, together with its associate firms in Malaysia, can help the clients to perform these compliances formalities so as to maintain the Malaysia company in good standing. Please call and talk to our professional accountants in Kaizen for further clarification.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at ***www.kaizencpa.com*** *or contact us through the following and talk to our professionals:*

Email: info@kaizencpa.com

Tel: +852 2341 1444

Mobile : +852 5616 4140, +86 152 1943 4614

WhatsApp/ Line/ Wechat: +852 5616 4140

Skype: kaizencpa