

e-TAX NEWS

TAX EDITION 06/2026

IN THIS EDITION :

EXTENSION OF INTERIM RELAXATION PERIOD FOR PHASE 4 E-INVOICE IMPLEMENTATION TO **31 DECEMBER 2027**

OVERVIEW



The Inland Revenue Board of Malaysia (IRBM) has released the updated e-Invoice Specific Guideline (Version 4.7) on **20 April 2026**.



A key highlight of this update is the **further extension of the interim relaxation period for Phase 4 taxpayers**, now extended to **31 December 2027**.



Phase 4 e-Invoice – Interim Relaxation Period

Following the earlier announcement on **5 January 2026**, the Government has granted an additional **12-month extension** for Phase 4 taxpayers.

Implementation Date	Annual Turnover (RM)	Interim Relaxation Period		
		Existing	Updated (5 January 2026)	Latest Update
1 January 2026	RM1 mil – RM5 mil	1 Jan 2026 – 30 Jun 2026	1 Jan 2026 – 31 Dec 2026	Until 31 Dec 2027
1 July 2026 (concessionary implementation date)	Below RM1mil*	1 Jul 2026 – 31 Dec 2026	1 Jul 2026 – 31 Dec 2026	

Note: *Applicable to taxpayers who do not meet the e-Invoice exemption criteria.



EDITORIAL COMMENTARY

The extension of the interim relaxation period until **31 December 2027** is a welcome relief, particularly for **Phase 4 taxpayers**, which mainly comprise of **micro, small and medium enterprises (MSMEs)**.

It should be noted that this extension **does not defer the mandatory implementation of e-Invoicing**. The prescribed implementation dates of **1 January 2026 and 1 July 2026 remain unchanged**. Instead, the extension allows taxpayers to continue applying **simplified compliance measures during the transition period**.

During this interim relaxation period, taxpayers are given some flexibility to ease their transition into e-Invoicing, including:

- Issuing **consolidated e-Invoices** for all transactions, including those sectors typically not allowed to do so under general rules

- Issuing **consolidated self-billed e-Invoices** for all self-billed transactions
- Providing **simplified or flexible descriptions** in the “Description of Product or Services” field, without strict adherence to prescribed data formats
- Deferring the issuance of **individual e-Invoices or self-billed e-Invoices**, provided that the requirements for consolidated e-Invoices and consolidated self-billed e-Invoices are duly complied with.

Additionally, the IRBM has indicated that **prosecution under Section 120 of the Income Tax Act 1967** will not be enforced for non-compliance with e-Invoice requirements during this period, **provided taxpayers adhere to the minimum relaxation conditions**.

Key Takeaways

With the extended timeline provided by the IRBM, taxpayers should take this opportunity to adequately prepare for the transition to e-Invoicing.

Taxpayers are encouraged to make use of this period to:

- Assess system readiness and integration capabilities
- Review internal invoicing processes and controls
- Engage tax advisors and solution providers to support e Invoice implementation

Getting support from tax advisors or solution providers can help to ensure a **smoother transition** and reduce the risk of **last-minute preparation and compliance issues**.

ABOUT THE AUTHOR:



✉ teckhui.yong@pkfmalaysia.com

☎ 016-958 6016

YONG TECK HUI, MANAGER (Taxation & Business Processes Solution)

He has over 10 years of experience in corporate and individual tax matters across multiple industries in Malaysia. He is currently involved in e-Invoicing implementation as well as Sales and Service Tax (SST) compliance and advisory in Malaysia. He is an HRD Corp-approved trainer and an Associate Member of the Chartered Tax Institute of Malaysia (CTIM).

CONTACT US

Should you have any questions or concerns, our team of professionals would be pleased to discuss and assist you. Please feel free to contact us:

Service lines

Tax Compliance

Lim Ai Chen, Partner,
Head of Tax
aichen@pkfmalaysia.com
016-365 3332

Connie Wan, Partner
connie.wan@pkfmalaysia.com
012-519 3812

Nurul Ashikin, Manager
nurulashikin@pkfmalaysia.com
013-343 6299

Alvin Phung, Manager
alvin.phung@pkfmalaysia.com
012-347 6483

Windy Sim, Manager
szeyin.sim@pkfmalaysia.com
016-431 2433

Chow Yeon Yee, Manager
yeanyee.chow@pkfmalaysia.com
016-548 8019

Indirect Tax / e-Invoicing

Lim Ai Chen, Partner,
Head of Tax
aichen@pkfmalaysia.com
016-365 3332

Yong Teck Hui, Manager
teckhui.yong@pkfmalaysia.com
016-958 6016

Tax Advisory/ Tax Audit

Lim Ai Chen, Partner,
Head of Tax
aichen@pkfmalaysia.com
016-365 3332

Tareni Shan, Director
tareni.shan@pkfmalaysia.com
011-2116 6832

Transfer Pricing

Winnie Foo, Director
winnie.foo@pkfmalaysia.com
012-669 0015

OUR OFFICES

PKF Kuala Lumpur
Level 33, Menara 1MK,
Kompleks 1 Mont' Kiara,
No.1, Jalan Kiara, Mont' Kiara,
50480 Kuala Lumpur.

PKF Penang:
No 67, 67A, 67B, 67C, 67D
Jalan Seang Teik,
Georgetown,
10400 Pulau Pinang.

PKF Ipoh
No. 62, 62A,
Persiaran Greentown 2,
Pusat Perdagangan Greentown,
30350 Ipoh, Perak.

No.34, 36, 38, 2nd and 3rd Floor
Jalan Raja Permaisuri Bainun,
30250 Ipoh, Perak

PKF Johor Bahru
No.49, Jalan Harimau Tarum,
Taman Century,
80250 Johor Bahru, Johor

PKF Sandakan
1st floor, Lot 40 (corner),
Bandar Nasalim, Mile 5,
Jalan Lintas Utara,
90000 Sandakan, Sabah

PKF Kota Kinabalu:
Lot 23-1, 1st Floor,
Lintas Plaza,
Lorong Lintas Plaza,
88300 Kota Kinabalu, Sabah

PKF Labuan:
Level 1, Lot 8, Block F,
Saguking Commercial Building,
Jalan Patau-Patau,
87000 Labuan, F.T.

Disclaimer

This publication is provided gratuitously and without liability. It is intended as a general guide only and the application of its contents to specific situations will depend on the particular circumstances involved. Readers should seek appropriate professional advice regarding any particular problems that they encounter, and this tax update should not be relied on as a substitute for this advice. Accordingly, PKF Malaysia assumes no responsibility for any errors or omissions it may contain, whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relies on it. Should further information, clarification or advice be required on any of the contents stated herein, please feel free to contact our team.