



BDO Asia Pacific Regional Conference

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THE FUTURE OF INVOICING - E-INVOICING



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STATISTICS

- Global annual volume of invoices stands around 560 billion where almost 125 billion are electronic
- Europe, Latin America and Asia leading the charge in global e-invoicing adoption
- Asia - most rapid growth in recent years

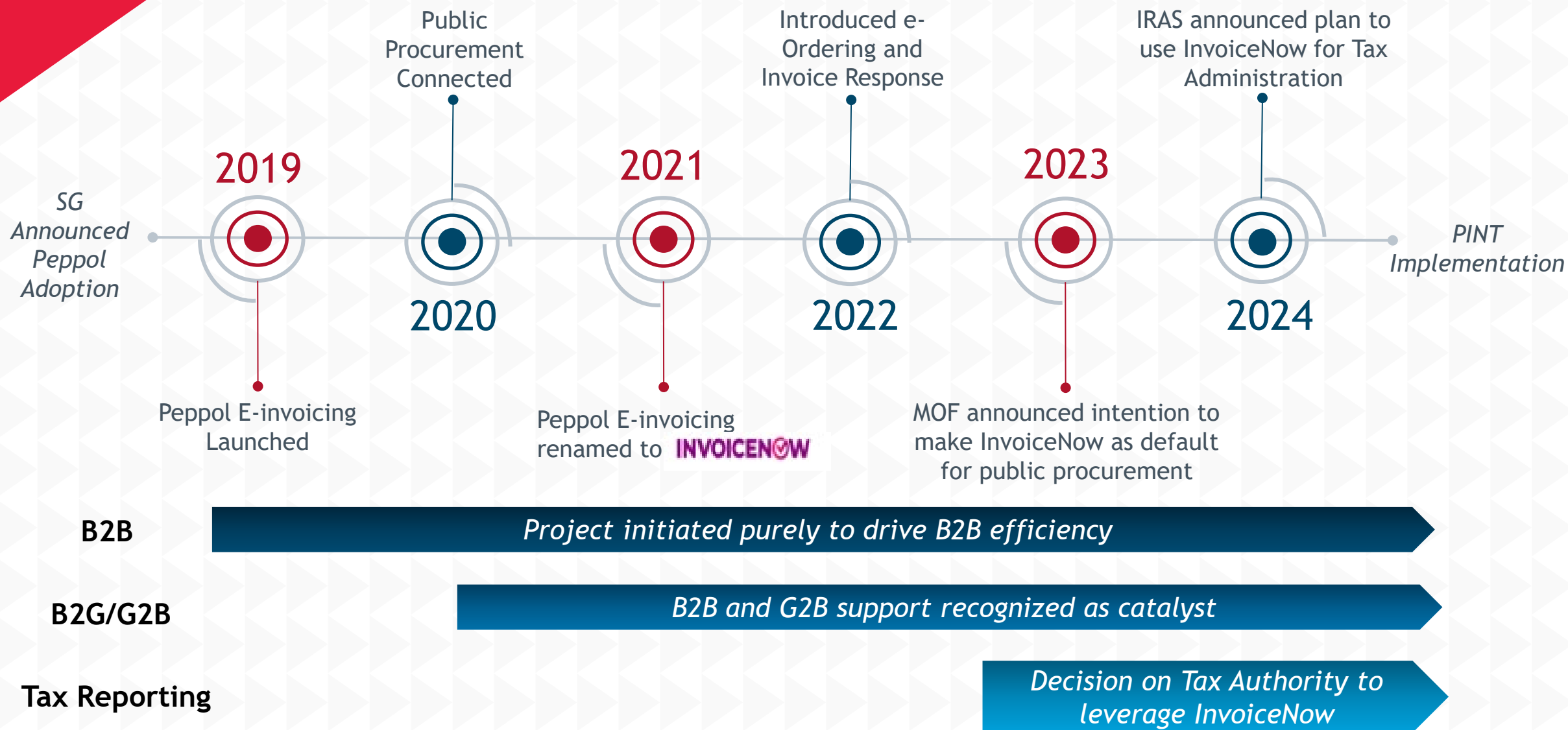
WHAT IS E-INVOICING?



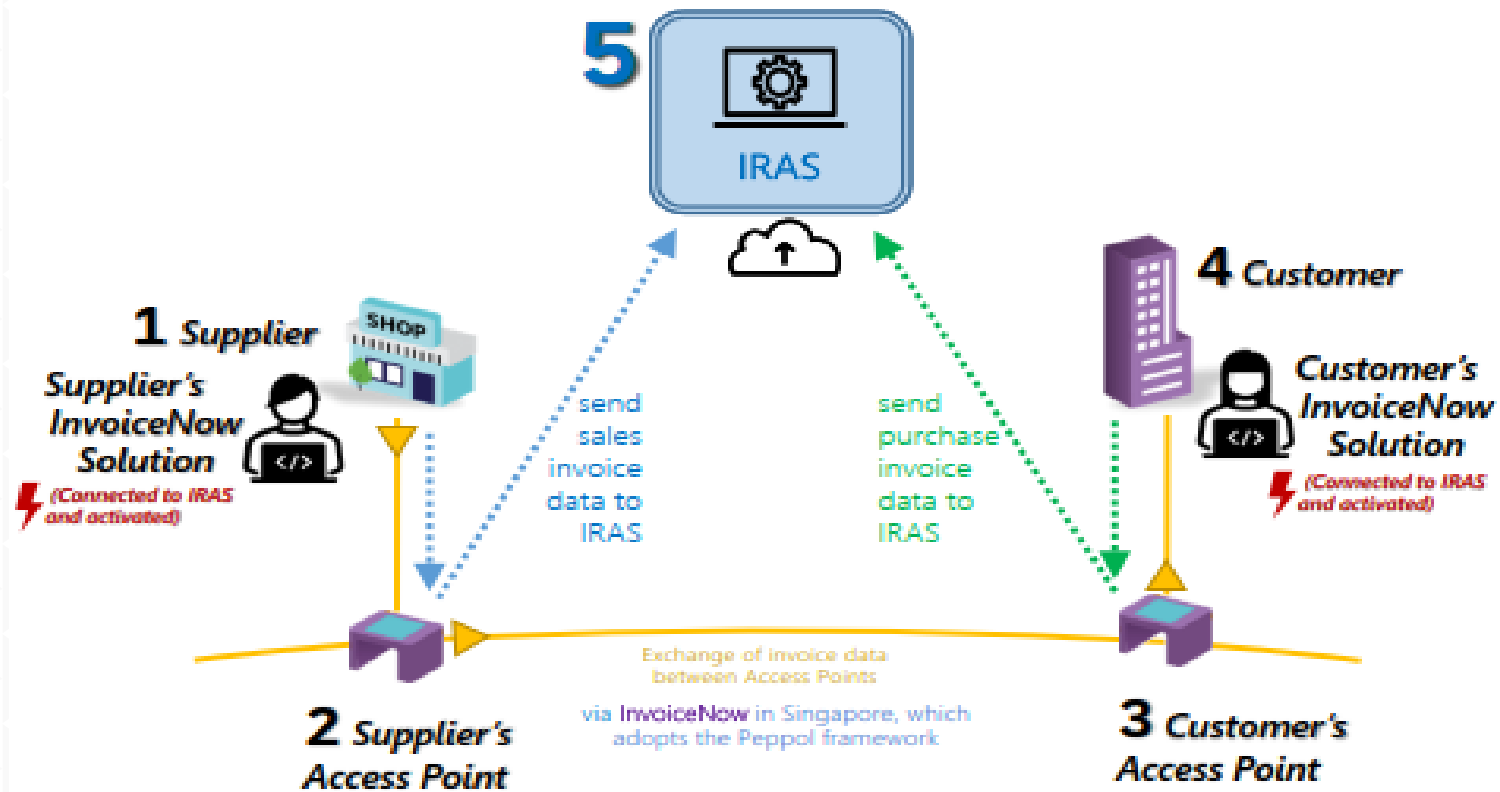
Overview of
E-invoicing
Development

OVERVIEW OF E-INVOICING DEVELOPMENT IN EACH COUNTRY

SINGAPORE'S E-INVOICING JOURNEY



INVOICENOW FOR GST ADMINISTRATION



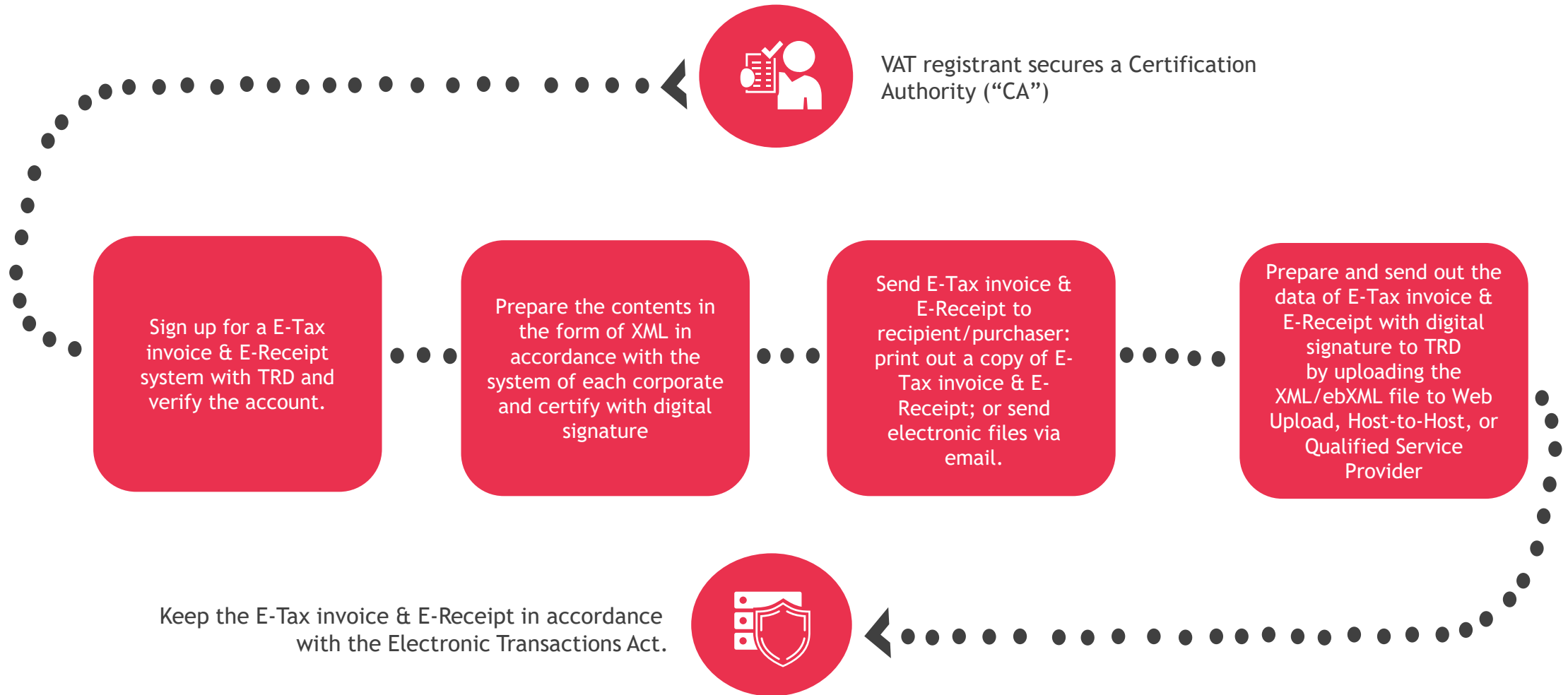
IMPLEMENTATION OF GST INVOICENOW REQUIREMENT



OVERVIEW OF E-INVOICING IN THAILAND

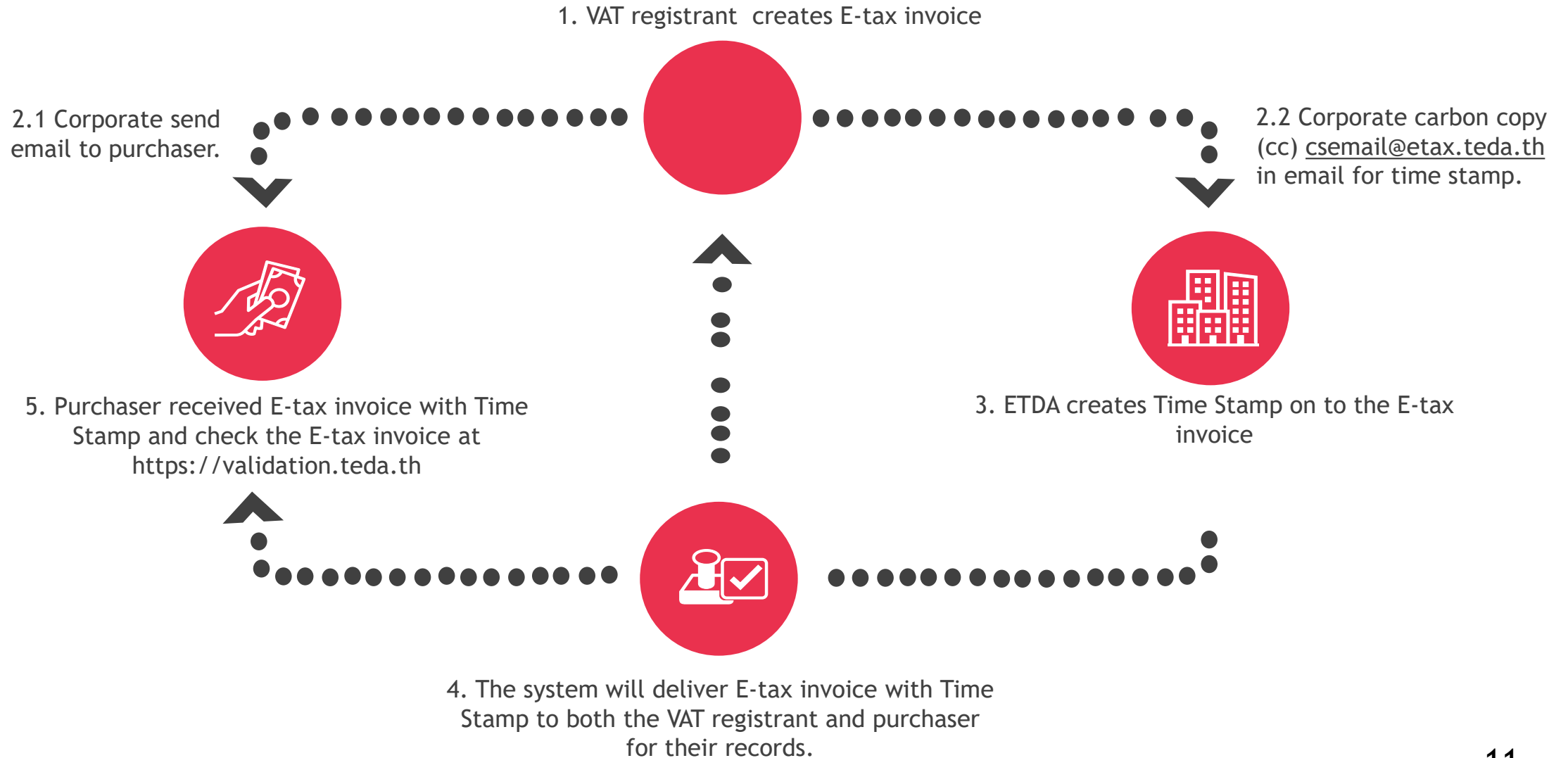
- **Electronic invoicing (e-invoicing)** initiatives started in 2010. To date, e-invoicing remains optional in Thailand.
- **e-Tax Invoice** covers a full tax invoice, abbreviated tax invoice (ABB), debit note, and credit note where the contents are prepared and issued in electronic form with digital signature or time stamp. Time stamp is done in cases where e-Tax Invoice is sent via email.
- **e-Receipt** is a document that serves as an evidence of payment issued in electronic form and contains a digital signature and other contents prescribed by law.
- **e-WHT** the WHT duty, remittance of tax and filing of the relevant WHT return is shifted to the participating banks through their electronic channels. As of FY2023, there were 19 participating banks/financial institutions providing this service.

E-TAX INVOICE & E-RECEIPT PROCEDURE



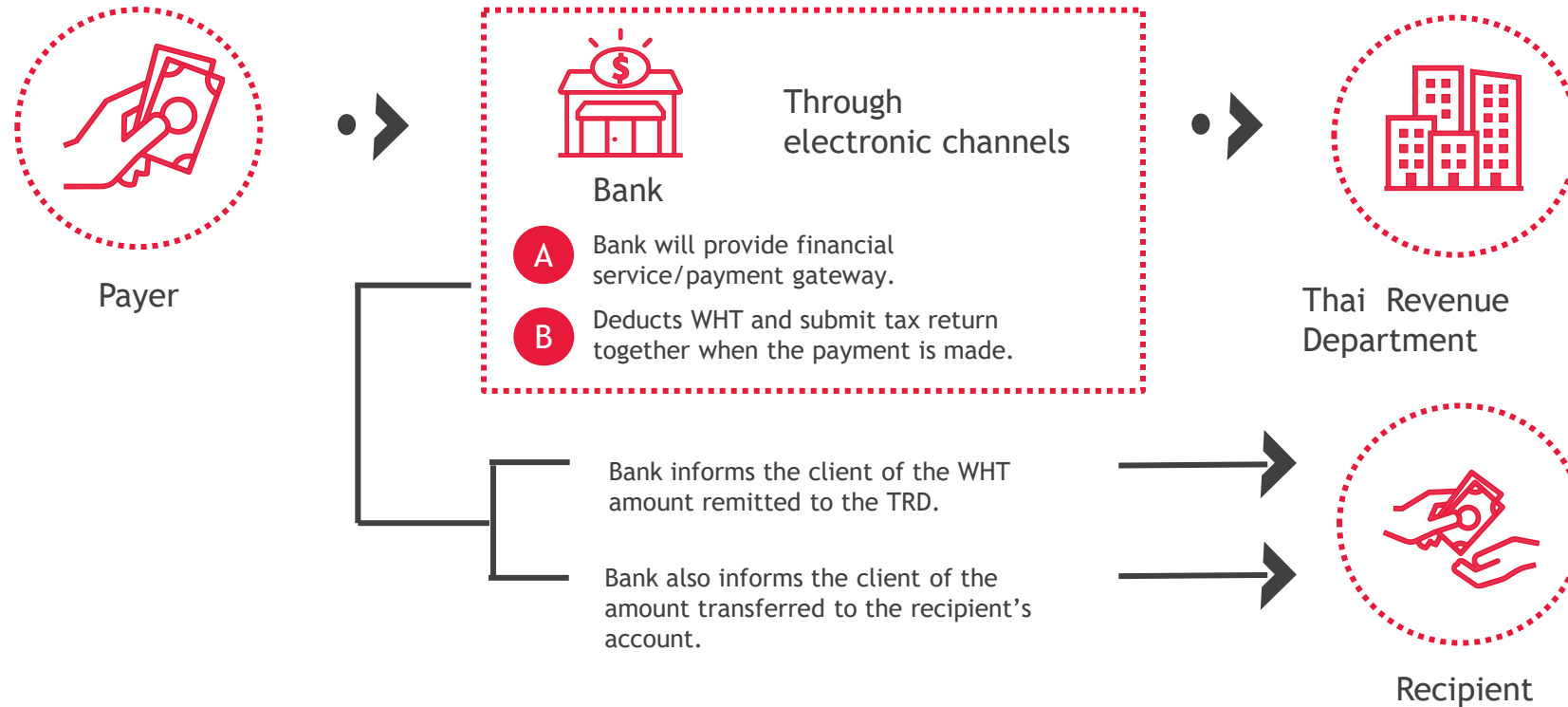
E-TAX INVOICE BY EMAIL

Procedure



E-WHT PROCEDURE

E-WHT procedure in Thailand



INDONESIA: E-INVOICING

Indonesia's E-Invoicing System was launched by the Directorate General of Taxes (DGT) in 2016 for Value Added Tax (VAT). It is based on a clearance model where all issued tax invoices are pre-approved by the Indonesian Tax Authority before being sent to the customers. Invoices which are not issued as E-Invoice, or not in line with DGT requirements, will be considered invalid.

With E-Invoicing System, it improves tax compliance effectiveness and efficiency, reduces tax leakage and fraud, enhances trade and payment.



Note :

- 1) There are 14 mandatory fields in E-Invoicing System in order to generate the E-Invoice.
- 2) Companies with annual turnover of 4.8 Billion Indonesian Rupiah (approximately USD 295 thousand) is required to register as VAT-able Entrepreneur.

OVERVIEW OF E-INVOICING IN MALAYSIA

Objectives

1. Support the growth of the digital economy
2. Enhance the efficiency of Malaysia's tax administration
3. Enable real-time validation and data collection for **Business-to-Business (B2B)**, **Business-to-Consumer (B2C)** and **Business-to-Government (B2G)** transactions.

Implementation Timeline

Phase 1 : 1 August 2024 - Turnover > RM100m

Phase 2 : January 2025 - Turnover > RM25m - RM100m

Phase 3 : 1 July 2025 - All other businesses

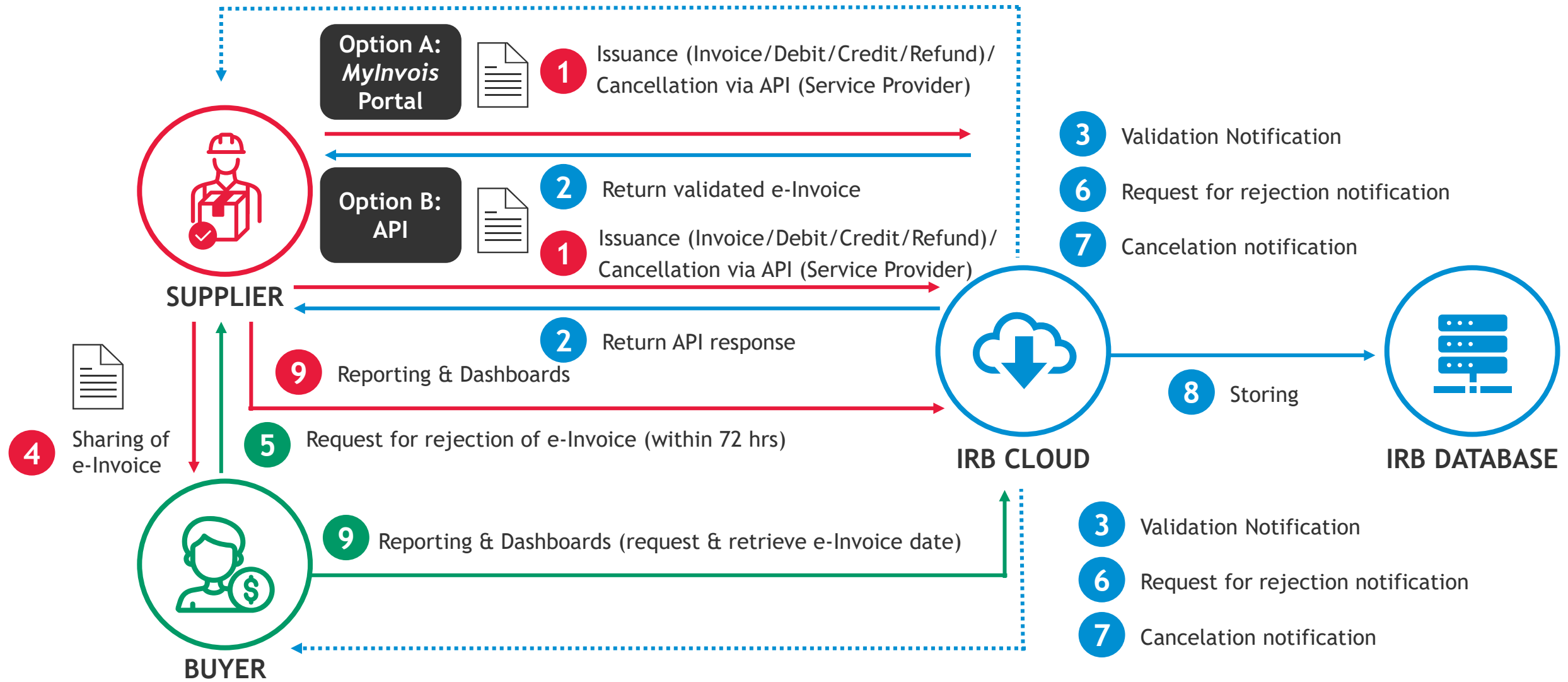
BUJANG LAPUK KELILING KAMPUNG

E-INVOICE MODEL

Inland Revenue Board of Malaysia (IRBM) has developed two (2) distinct e-Invoice transmission mechanisms:

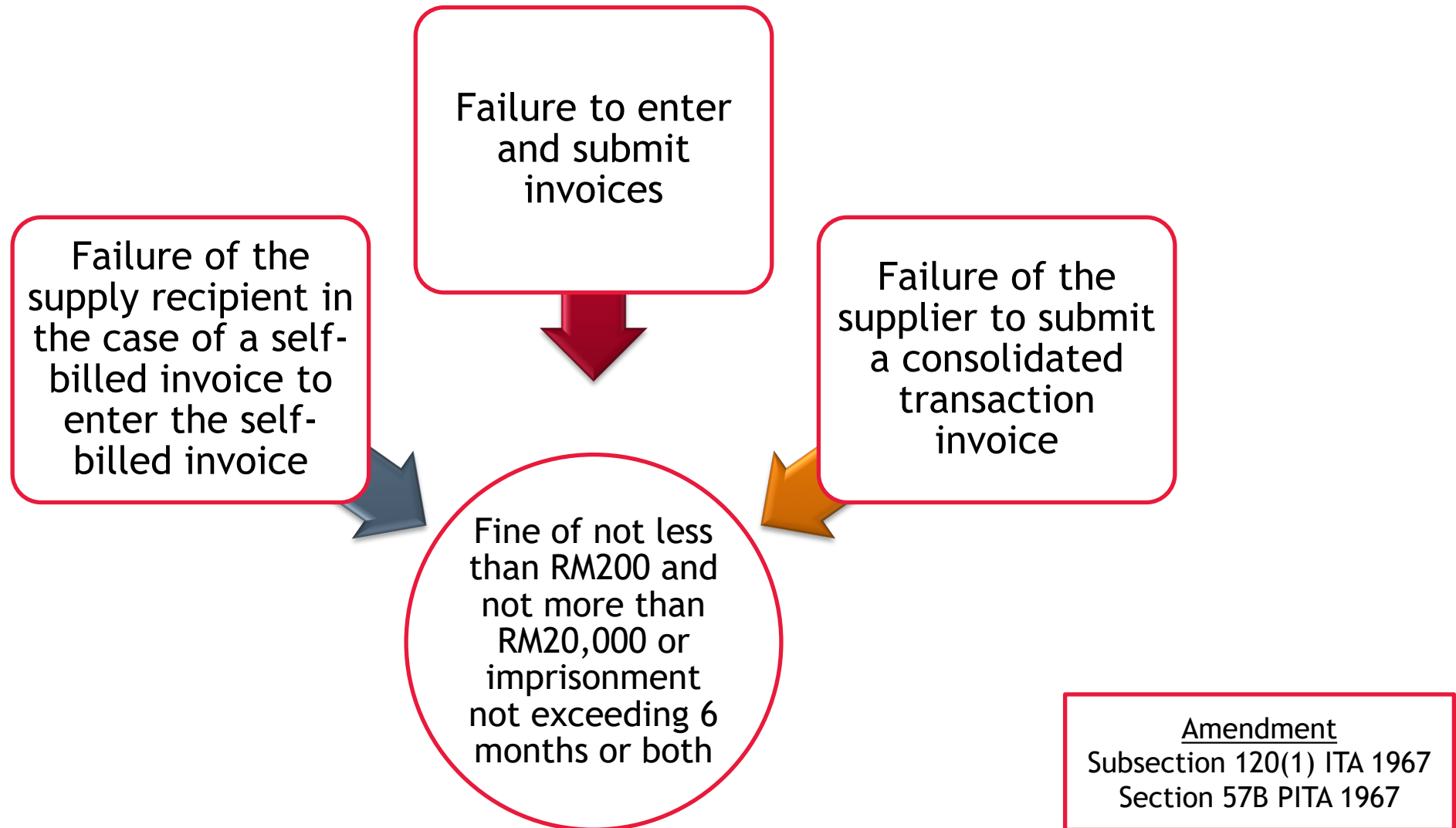
Mechanism	Key Features	Considerations
MyInvois Portal (hosted by IRBM)	A portal hosted by IRBM as an option that is available to taxpayers at no cost	<ul style="list-style-type: none">• Accessible to all taxpayers• Available to taxpayers who need to issue e-Invoice but API connection is down
Application Programming Interface (“API”) (into IRBM’s related systems)	An API is a set of programming code that enables direct transmission between the taxpayers’ system and MyInvois System	<ul style="list-style-type: none">• Requires upfront investment in technology and adjustments to existing systems• Ideal for large taxpayers or businesses with substantial transaction volume

OVERVIEW OF E-INVOICING



Legend: → Invoice Flow Notification Flow ○ Supplier ○ Buyer ○ IRBM

OFFENCES FOR FAILURE TO ISSUE E-INVOICES



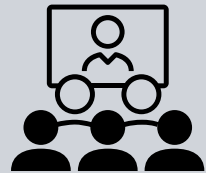
KEY IMPLEMENTATION DECISIONS FOR BUSINESSES



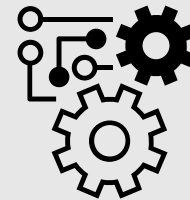
In-house vs outsource
implementation tax
and technology
advisory



Tax and technology
advisory
-(with or without PMO)



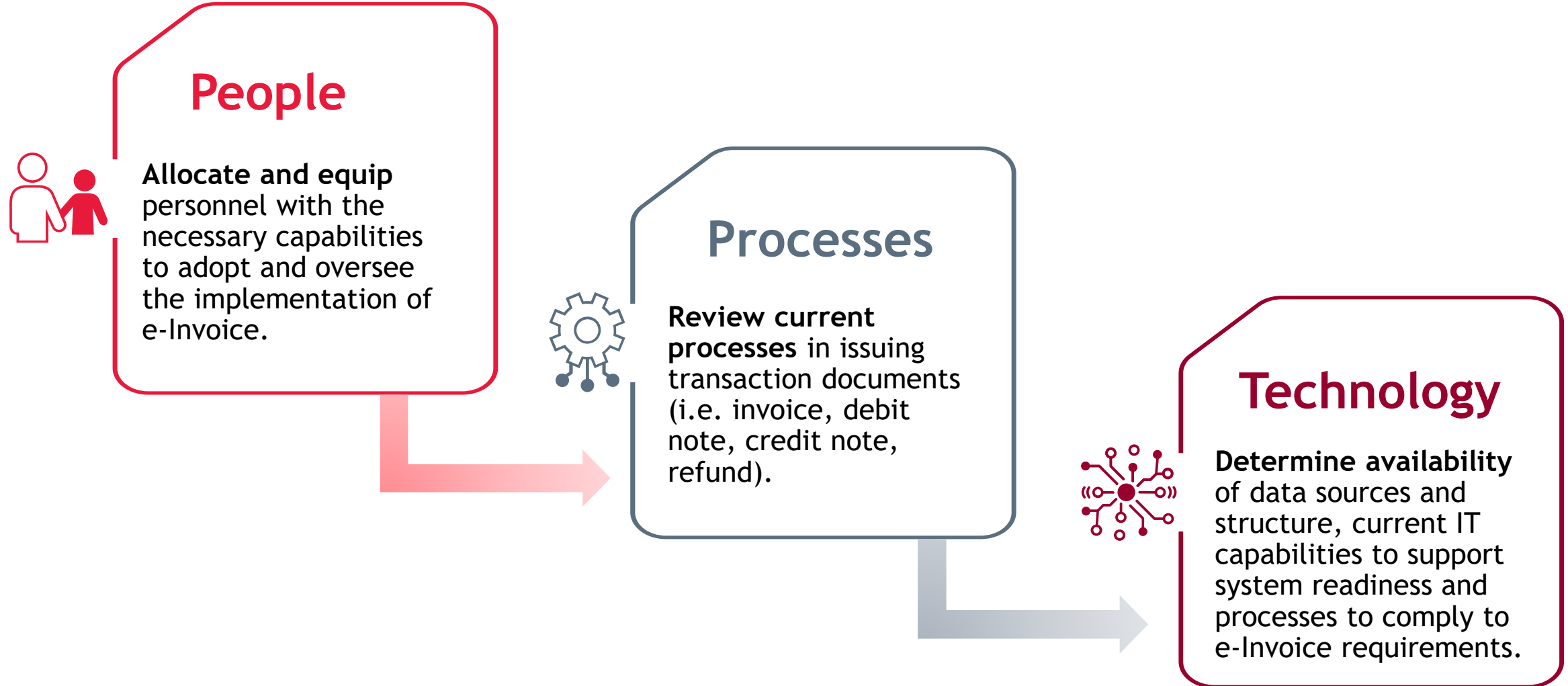
e-Invoicing training
and internal controls



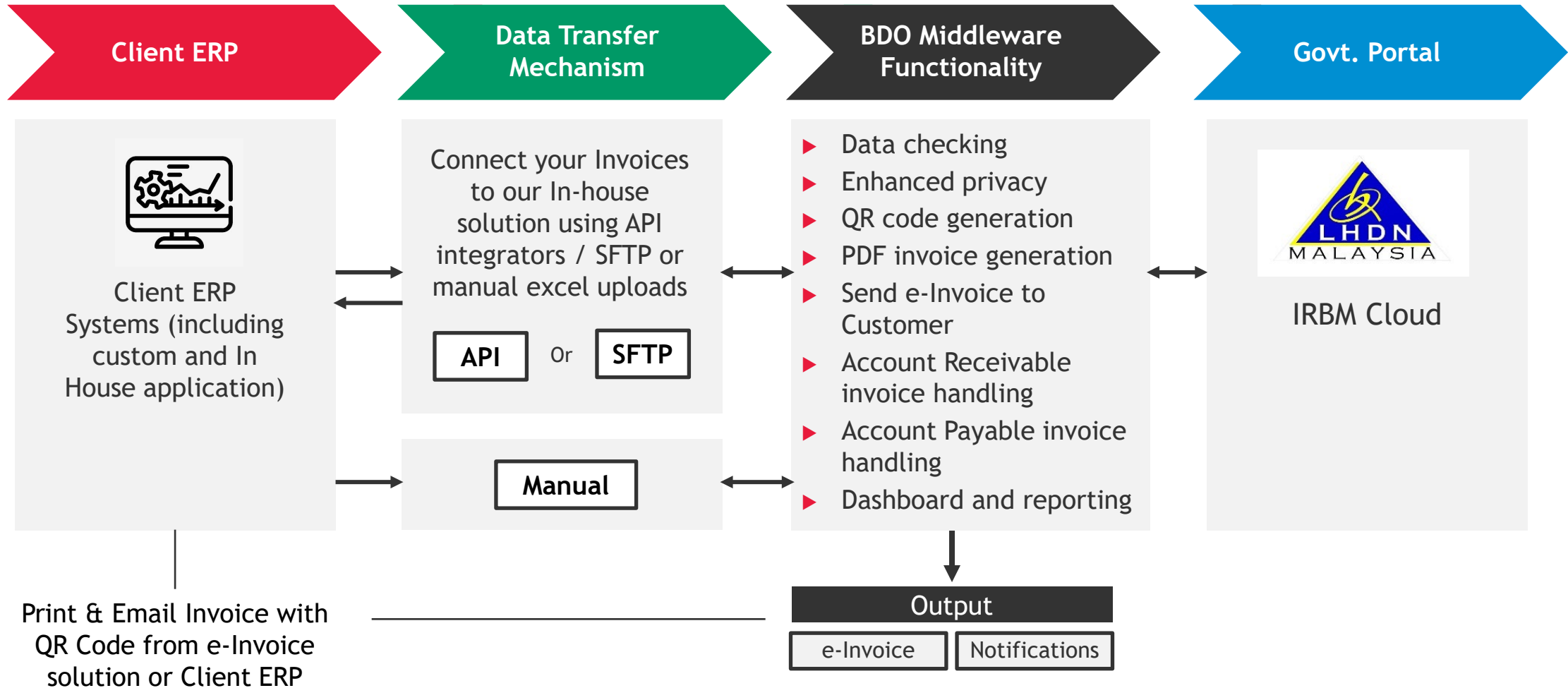
IRB portal vs API vs
Middleware

PREPARATION FOR E-INVOICE COMPLIANCE

Elements in e-Invoice project implementation



E-INVOICE MIDDLEWARE MECHANISM



IMPLEMENTATION SUCCESS FACTORS

BENEFITS AND CHALLENGES

BENEFITS OF E-INVOICING



CHALLENGES OF E-INVOICING

**Resistance to
change**



**Integration
with existing
systems**



**Compliance
with
regulations
and standards**



**Concerns
about data
privacy and
security**



RISING GLOBAL ADOPTION OF E-INVOICING



Government
Regulations
and
Compliance



Technological
Advancements



Cost Reduction
and
Efficiency



Environment
Sustainability



Enhanced
Security
and
Fraud Prevention

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THANK YOU

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