
CIRCULAR

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| Date: | 15 July 2024 | Ref No.: | ID/UTMC&PRSP/KL-HYF-JW/019-24 (Total no. of pages: 5) |
| To: | UTMC AND PRS PROVIDER | | |
| Attn: | Authorised Representative/Chief Executive Officer | | |

APPEAL TO THE APPLICATION FOR PHASED APPROACH ON THE E-INVOICING IMPLEMENTATION WITH INLAND REVENUE BOARD MALAYSIA (IRBM)

1. **Background**

Reference is made to our Circular (Reference No. ID/ALL/HYF-JW/008-24) dated 9 April 2024, which summarises the ongoing efforts of the Federation of Investment Managers Malaysia (FIMM) with IRBM, tax consultants, and Members/Distributors regarding e-Invoicing.

2. **Roundtable Discussion**

On 9 May 2024, FIMM held a roundtable with ten (10) Members to propose a phased implementation approach to e-Invoicing for the Unit Trust and Private Retirement Schemes (UTS/ PRS) industry, as the e-Invoicing implementation is scheduled to begin on 1 August 2024 for Companies/Funds with an annual turnover/revenue exceeding RM100 million. These ten (10) Members were included in the discussion as our records indicate that they have/their fund(s) have annual turnover/revenue exceeding RM100 million.

3. **Proposal Submission**

- 3.1. Following the roundtable, FIMM submitted a proposal to IRBM on 29 May 2024, highlighting the challenges and requesting concessions for affected Companies/Funds who are required to implement e-Invoicing by the 1 August 2024 and 1 January 2025 deadlines, to submit consolidated e-Invoice/ consolidated self-bill e-Invoice until 1 July 2025.
- 3.2. On 2 July 2024, IRBM responded to FIMM that no concession will be granted, and that Members are to ensure implementation of the e-Invoice are aligned to the IRBM e-Invoice Specific Guidelines (Version 2.1) ("E-Invoice Guidelines"). This response was shared with roundtable participants, leading to a request from the majority that FIMM appoints Ernst & Young Tax Consultants Sdn Bhd (EY Tax) for an appeal.

- 3.3. On 5 July 2024, EY Tax reverted with their scope of work, focusing on the phased approach appeal. On 12 July 2024, FIMM organised a discussion for Members and EY Tax to clarify their scope of work and possible outcomes of this appointment.
- 3.4. The following eight (8) Members have collectively agreed to appoint EY Tax to prepare for the submission of the appeal letter:
- AHAM Asset Management Berhad
 - AmFunds Management Berhad
 - Eastspring Investments Berhad
 - Kenanga Investors Berhad
 - Maybank Asset Management Sdn Bhd
 - Manulife Investment Management (M) Berhad
 - Principal Asset Management Berhad
 - RHB Asset Management Sdn Bhd
- 3.5. These Members requested FIMM to sign the letter of engagement and submit the appeal letter prepared by EY Tax on their behalf.
- 3.6. The fees for the appointment of EY Tax are RM76,680.00, equally shared among the eight (8) Members. In the interest of time, FIMM will facilitate the pre-payment to EY Tax on their behalf.

4. Inclusion of Additional Members

FIMM invites other Members who would like to be included in the above application for the appeal of a phased approach to e-invoice, with fees shared equally among such participants.

5. Actions Needed from Members

Members who wish to be included in the appeal application to IRBM must notify FIMM and submit the enclosed Letter of Undertaking via email to ID@fimm.com.my, no later than 16 July 2024 (Tuesday).

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If you require further information or clarification, please contact the Industry Development Department (ID) at the abovementioned email.

Thank you.

Yours faithfully

FEDERATION OF INVESTMENT MANAGERS MALAYSIA



Heow Yen Fen
General Manager, Industry Services Division

LETTER OF UNDERTAKING

(to be typed on the letterhead of the Undertaking Party)

FEDERATION OF INVESTMENT MANAGERS MALAYSIA

19-06-1, 6th Floor, Wisma Tune,
No. 19 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Malaysia

Attn: Mr. Kaleon Leong Rahan

Dear Sir,

LETTER OF UNDERTAKING FOR PAYMENT IN RELATION TO THE ENGAGEMENT OF ERNST & YOUNG TAX CONSULTANTS SDN. BHD.

We hereby refer to the above matter.

2. We, insert Company name, (Company No.:insert Company Registration Number), a company incorporated in Malaysia under the Companies Act 1965 and having its business address at insert business address of the Company (hereinafter referred to as the "Undertaking Party"), hereby acknowledge and agree to the terms and conditions set forth in this Letter of Undertaking for the advance payment made by **FEDERATION OF INVESTMENT MANAGERS MALAYSIA [Company No.: 1993010178939 (272577-P) (FIMM)**, a company incorporated under the laws of Malaysia and whose place of business is at No. 19-06-1, 6th Floor, Wisma Tune, No.19, Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur.

3. This Letter of Undertaking hereby confirms that FIMM has agreed to make an advance payment in the amount of Ringgit Malaysia Seventy Six Thousand Six Hundred and Eighty only (RM 76,680.00) (hereinafter referred to as "Advance Payment") on behalf of the Undertaking Party. The amount of the Advance Payment to be reimbursed by the Undertaking Party shall be apportioned equally among the companies sharing this cost (hereinafter referred to as the "Apportioned Amount"). This Advance Payment is for the purpose of engaging Ernst & Young

Tax Consultants Sdn. Bhd. to provide tax advisory services regarding the appeal of application of the application to the Inland Revenue Board of Malaysia for a phased approach to e-invoice implementation (hereinafter referred to as the "Purpose").

4. The Undertaking Party hereby gives our unconditional and irrevocable undertaking and warranty to FIMM that:

- (i) we shall repay the Apportioned Amount of the Advance Payment to FIMM, as specified in writing by FIMM, and payment shall be made no later than one (1) month from the date of signing the letter of engagement by FIMM for the Purpose (hereinafter referred to as the "Letter of Engagement"); and
- (ii) we shall fully indemnify, protect and hold harmless FIMM against any costs, losses, claims, expenses, fees (including solicitors fee on a solicitor and client basis) or damage suffered or incurred by FIMM, arising out of or in connection with any breach of the terms and conditions of this Letter of Undertaking by the Undertaking Party.

5. We hereby enclose a copy of the draft Letter of Engagement.

Dated day of 2024.

SIGNED by

On Behalf of the Undertaking Party)

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for and on behalf of)

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.....)

(COMPANY NO :))

in the presence of :)

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