
CIRCULAR

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To:	UTMC, IUTA, CUTA, PRS PROVIDER, IPRA AND CPRA		
Attn:	Authorised Representative/Chief Executive Officer		

FUNDS MANAGEMENT INDUSTRY SPECIFIC FAQ ON E-INVOICING

The Federation of Investment Managers Malaysia (FIMM) has engaged Deloitte Tax Services Sdn Bhd (DTS) to develop industry-specific e-Invoice Frequently Asked Questions (FAQs), in consultation with the Inland Revenue Board of Malaysia (IRBM). This initiative aims to address outstanding matters unique to our industry that have arisen from the implementation of e-Invoicing.

This project commenced in late November 2024, with over 50 questions initially submitted by the industry. The majority of these questions were then addressed by DTS and subsequently refined into eight (8) FAQs that are directly relevant to overall industry-specific concerns.

As part of this initiative, FIMM, together with DTS and industry representatives, held productive engagement sessions with the IRBM on 23 January 2025 and 29 May 2025. These sessions were crucial for clarifying the **eight outstanding issues** and other related concerns regarding e-Invoice processes and treatment challenges faced by the industry.

We are pleased to enclose the **Funds Management Industry Specific FAQ** on e-Invoicing as per **Appendix 1** for your review. We urge all Members and Distributors to align their operations with the agreed arrangements between IRBM and the industry.

If you require further information or clarification, please contact the Industry Development Department (ID) at ID@fimm.com.my.

Thank you.

Yours faithfully



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FEDERATION OF INVESTMENT MANAGERS MALAYSIA

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No.	Issue	IRB's Responses	Our Comment
1	Request to exempt UTS from the requirement to issue e-Invoice in relation to buying and selling of non-listed securities / derivatives	<p>As highlighted during the discussion on 23 Jan 2025, LHDNM will not provide any exemption for the investment in securities and/or derivatives, except for the buying or selling of securities or derivatives traded on a stock exchange or derivatives exchange in Malaysia or elsewhere as per section 1.6.8 of e-Invoice Guideline.</p> <p>At the same time, we would like to highlight that the buying or selling of securities and/or derivatives not listed on stock exchange or derivatives exchange in Malaysia or outside Malaysia does not fall under Section 3.7 of the e-Invoice Specific Guideline (i.e., not prohibited from consolidation). In this regard, where the buyers do not request for an e-Invoice, UTS / UTMC as the supplier is allowed to issue consolidated e-Invoice for the said transactions.</p> <p>Additionally, the responsibility to issue e-Invoice for the abovementioned transactions would be on the supplier (e.g., person who disposed of the unlisted securities and/or derivatives), unless the supplier is an individual not conducting business.</p> <p>Section 4.3.7 of the e-Invoice Specific Guideline is applicable to UTS / UTMC. As such, UTS / UTMC are not required to disclose the statement / bill reference number under the "Description of Product / Service" field in the consolidated e-Invoice / consolidated self-billed e-Invoice. However, UTS / UTMC required to input descriptions that are relevant and appropriate under the said field when issuing consolidated e-Invoice.</p>	<p>The IRB has reaffirmed its position that there will be no exemption given for buying and selling of securities.</p> <p>Nonetheless, the disposer (i.e. UTF) of the unlisted securities and / or derivatives would have the option to issue consolidated e-Invoice (i.e. submission on a monthly basis, within 7 calendar days from the month end) should the buyer does not require an e-Invoice. In the event where the UTF purchase unlisted securities / derivatives, the responsibility to issue e-Invoice would lies with the supplier (i.e. disposer) and not with the UTF.</p> <p>The IRB has confirmed that Section 4.3.7 of the Specific Guideline applies to the UTS / UTMC (i.e. being entities falling under regulated industries). As such, the UTS / UTMC are not required to disclose the statement / bill reference number under the "Description of Product / Services" field in the consolidated e-Invoice or consolidated self-billed e-Invoice. Instead, the UTS / UTMC is required to input a relevant and appropriate description that reflect the nature of the transaction in the said field when issuing consolidated e-Invoice or consolidated self-billed e-Invoice.</p>

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2	<p>e-Invoice treatment on dividend distribution –</p> <p>i) Request to align the IRB's understanding and industry practice that the dividend distributor is UTS and not UTMC (noted contradicted facts in IRB's specific FAQs)</p> <p>ii) Amount of dividend distributed subject to self-billing</p>	<p>i) LHDNM has relied on the information provided and representation made by industry players in the past in developing the Industry-Specific FAQ.</p> <p>Based on FIMM's current representation and the discussion on 23 Jan 2025, we understand that the party who is distributing the dividend / profit under a unit trust scheme is the Unit Trust Fund (UTF) itself (rather than the UTMC). As such, UTF would distribute dividends / profits to IUTA, in which IUTA would subsequently distribute to the end investors.</p> <p>In this regard, LHDNM will revise the Industry-Specific FAQ to reflect the update accordingly (i.e., UTF to issue self-billed e-Invoice to IUTA, IUTA to issue self-billed e-Invoice to end investors).</p> <p>ii) Taxpayers are required to input the dividend / profit distribution (based on dividend voucher), regardless if it's capital or revenue in nature, in the self-billed e-Invoice. It may be segregated into multiple line items in the self-billed e-Invoice.</p>	<p>i) IRB's understanding is now aligned with the general industry practice. The IRB will revise the industry specific FAQs in due course.</p> <p>ii) The IRB has confirmed that the amount subject to self-billing would be the gross amount per the tax voucher, regardless of whether it consists of capital and / or profit elements.</p>
3	<p>e-Invoice treatment in relation to management fee and management fee rebate under fund-of-fund structure (refer to illustration appended in Appendix 2)</p>	<p>For your information, LHDNM has relied on the information provided and representation made by industry players in the past in developing the Industry-Specific FAQ.</p> <p>i) Charging of management fee Based on FIMM's current representation and the discussion on 23 Jan 2025, we understand the charging of management fees may vary depending on the circumstances. In some cases, the end investors will bear these fees, while in others, management fees will be charged only at the fund level (and not impacting the end investors).</p>	<p>i) IRB's understanding is now aligned with the general industry practice. We wish to inform that the prescribed e-Invoice treatment in the Industry Specific FAQs would only be applicable in the relevant scenario mentioned therein. Should there be no management fee charged to the end investor, UTF is not required to issue e-Invoice to the end investor.</p> <p>ii) The e-Invoice treatment as prescribed by IRB under (ii) would apply. The IRB has indicated that they are aware of the potential discrepancy on the management fee charged (at 1.5%) and rebates provided (at 1.8%) under fund-of fund structure.</p>

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No.	Issue	IRB's Responses	Our Comment
		<p>Where the management fees are not being charged to the end investor by the UTF, UTF is not required to issue e-Invoice to the end investors.</p> <p>Where the management fees are being charged to the end investor, the e-Invoice treatment as outlined in the Industry Specific FAQ is required to be complied with.</p> <p>ii) Rebate of management fee under fund-of-fund structure</p> <p>(a) Where the charging of management fee and rebates are provided in the same e-Invoice, the UTM C may issue an e-Invoice on a net basis, by including both the management fee charged to the Feeder Fund and the rebate provided to Feeder Fund (as separate line item) in the same e-Invoice.</p> <p>(b) However, if the rebate is provided separately, UTM C is required to issue a CN / RN e-Invoice to the Feeder Fund, by making reference to the original e-Invoice reference number (when UTM C charged the management fee at 1.5% p.a.).</p>	<p>Similar tax treatment would apply in the case where the Feeder Fund invests in a foreign Target Fund.</p>
4	<p>Applicability of e-Invoicing on subscription and redemption of units in UTS</p>	<p>As communicated in the previous discussion with ABM on 27 March 2025 and reiterated in our response email to FIMM on 24 April 2025, LHDNM was made understood that the unit trust fund manager and/or the trustee should not be the party responsible for this issuance of e-Invoice further to Deloitte / FIMM's representation in earlier discussion on 23 Jan 2025.</p> <p>Based on Deloitte's / FIMM's representation, as the transactions involves subscription of unit trust in the UTF and that the UTF is a separate legal entity on its own, the</p>	<p>The IRB has reaffirmed its position that the responsible party to issue e-Invoice (for subscription of units) or self-billed e-Invoice (for redemption of units) would be the UTF (being a separate legal entity and legal / beneficial owner of the said transactions). Where there is involvement of IUTA in the transaction chain, UTF is required to issue an e-Invoice (for subscription) /self-billed e-Invoice (for redemption) to the IUTA and subsequently, the IUTA is required to issue e-Invoice / self-billed e-Invoice to the end investor. However, where practical, the UTF may consider including subscription and redemption transactions for each investor / IUTA into the same e-Invoice, presented in</p>

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		<p>UTF should then be the responsible party to issue the e-Invoice for the subscription of unit trust.</p> <p>The legal relationship between parties would need to be considered in determining the e-Invoice obligation:</p> <ul style="list-style-type: none"> • If the legal relationship is between local UTF and end investor (where the investment is made directly under end investor's name), local UTF is required to issue e-Invoice to end investor. • If the legal relationship is between local UTF and local IUTA (under a nominee arrangement, where units will be allotted under IUTA's name), local UTF is required to issue e-Invoice to local IUTA. Subsequently, local IUTA is required to issue e-Invoice to the end investors. • The e-Invoice treatment for redemption of unit trust should be similarly apply, with necessary tweaks to the above. <p>Where information is not made available to the issuer of e-Invoice, we would like to advise the taxpayers to consider avenues in obtaining the said information. Otherwise, the UTF may appoint UTMC / IUTA as an intermediary to assist with the issuance of e-Invoice / self-billed e-Invoice.</p> <p>Additionally, LHDNM has in multiple engagement sessions highlighted that industry players may consider issuance of regular statement as e-Invoice as a workaround to the concerns raised. However, the issuance obligation should be carefully considered when issuing regular statement as e-Invoice.</p> <p>As you are aware, the government has introduced a new rule, where any single transaction with a value >RM10k is not allowed to be consolidated. This new introduction is</p>	<p>the format of periodical statement, to be issued under the name of the UTF. The UTF is allowed to create and submit periodical statement e-Invoice for IRBM's validation in accordance with their respective issuance frequency (e.g., monthly, bi-monthly, quarterly, bi-annually, annually). Alternatively, UTF may explore appointing UTMC / IUTA as an intermediary to assist with the issuance of e-Invoice / self-billed e-Invoice.</p> <p>Kindly note that the issuance of periodical statement e-Invoice should not be considered as Consolidated e-Invoice. It is merely consolidating transactions from a certain period into a form of statement, which will be issued to each specific buyer, unlike a Consolidated e-Invoice where it is for transactions with various buyers. Thus, the threshold of RM10,000 should not apply for periodical statement e-Invoice.</p> <p>In view of the above, the UTS would have the options to either issue individual e-Invoice or consolidated e-Invoice in respect of subscription transaction in the following manner :</p> <ul style="list-style-type: none"> i) Issue individual e-Invoice for each subscription transaction. UTS (or UTMC assisting to issue in UTS' name) is allowed to follow its current billing practice on the timing of issuance of e-Invoice as there is no specific requirement imposed by the IRB; or ii) Where no e-Invoice required by the buyer, UTS may aggregate the subscription transactions on a monthly basis (subject to the RM10,000 limitation threshold) and submit a consolidated e-Invoice to the IRB within 7 calendar days after the month end; or iii) UTS (or UTMC assisting to issue in UTS' name) to utilise the annual statement issued to the end

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		<p>applicable to all industries with no exception. It is advisable for the industry members to conduct the necessary communication with your customers to ensure that customers are aware of such requirement being implemented.</p>	<p>investor / IUTA and convert it into e-Invoice. The e-Invoice statement may include both subscription and redemption transactions under the same e-Invoice. Similar with (i) above, the UTS (or UTMC assisting to issue in UTS' name) is allowed to create and submit e-Invoice statement for IRB's validation in accordance with its respective issuance frequency (e.g., monthly, bi-monthly, quarterly, bi-annually, annually).</p> <p>For redemption transaction, UTS would need to take note of the following :</p> <ul style="list-style-type: none"> i) Issue individual self-billed e-Invoice for each redemption transaction latest by timing of issuance provided below. ii) In the case where the redemption transactions involve individuals (who are not conducting a business), issuance of consolidated self-billed e-Invoice is allowed. Timing of issuance is similar to the issuance of consolidated e-Invoice, i.e. submit consolidated self-billed e-Invoice to IRB on a monthly basis, within 7 calendar days after the month end. <p>In the case of switching of units (i.e. withdrawal or redemption of units from a fund and purchase units of another fund), the same e-Invoice treatment as mentioned above would apply, i.e. a self-billed e-Invoice is required to be issued by UTS at the point of redemption and an e-Invoice is required to be issued by the other UTS at the point of subscription into another fund.</p> <p><i>* Timing of issuance of self-billed e-Invoice :</i></p> <p>i) <i>If there is written agreement :</i></p>

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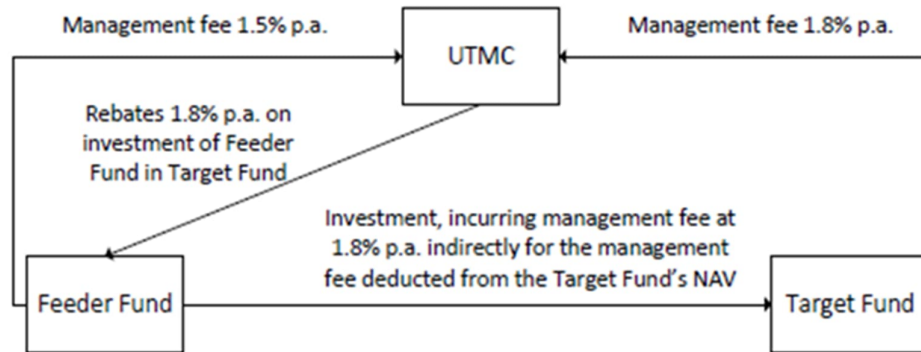
No.	Issue	IRB's Responses	Our Comment
			<ul style="list-style-type: none"> <i>No approval from government / state government required : Date of issuance will be the date of agreement</i> <i>Where approval from government / state government required : Date of issuance will be either the date of such approval or date in which the last condition is satisfied (i.e. conditional approval).</i> <p><i>ii) If there is no written agreement : date of completion</i></p>
5	Request for IRB's consent to allow for the self-billed e-Invoice to be issued by the IUTA in accordance with the UTM/UTF's implementation deadline (e.g. self-billed e-Invoice to be issued by IUTA starting from 1 July 2025 onwards)	<p>Thank you for your feedback. Please be informed that taxpayers are required to implement e-Invoice as according to the mandatory implementation timeline as outlined under Section 1.5 of the e-Invoice Guideline.</p> <p>e-Invoice compliance is from the issuance perspective. In this case, it is the party who is responsible to issue e-Invoice / self-billed e-Invoice, according to their respective implementation timeline.</p> <p>Nevertheless, kindly note that a 6-month interim relaxation period is provided to taxpayers across all phases of e-Invoice implementation, where taxpayers are allowed to issue consolidated e-Invoice and consolidated self-billed e-Invoice for all transactions. For more information, please refer to Section 16 of the e-Invoice Specific Guideline.</p>	<p>Kindly note that the e-Invoice compliance obligation is from the issuance of e-Invoice / self-billed e-Invoice perspective. Thus, the issuer of e-Invoice / self-billed e-Invoice (i.e. be it UTF or IUTA) should adhere to its own mandatory implementation timeline.</p> <p>The UTF / IUTA may also opt to issue consolidated self-billed e-Invoice during its respective interim relaxation period, following its implementation timeline.</p>
6	Whether issuance of consolidated e-Invoice for foreign sourced income received by UTS is permitted by IRB	<p>Foreign source income does not fall under Section 3.7 of the e-Invoice Specific Guideline (i.e., not prohibited from consolidation). In this regard, where the buyers / suppliers do not request for an e-Invoice / self-billed e-Invoice, UTS / UTM/UTF as the supplier / buyer is allowed to issue consolidated e-Invoice for the said transactions.</p> <p>Section 4.3.7 of the e-Invoice Specific Guideline is applicable to UTS / UTM/UTF. As such, UTS / UTM/UTF are not required to disclose the statement / bill reference number</p>	<p>Kindly be informed that the IRB does not impose any restrictions to aggregate foreign sourced income into a consolidated e-Invoice, if the buyers do not request for an e-Invoice.</p> <p>The IRB has confirmed that Section 4.3.7 of the Specific Guideline applies to the UTS / UTM/UTF (i.e. being entities falling under regulated industries). As such, the UTS / UTM/UTF are not required to disclose the statement / bill reference number under the "Description of Product /</p>

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		under the "Description of Product / Service" field in the consolidated e-Invoice / consolidated self-billed e-Invoice. However, UTS / UTMIC required to input descriptions that are relevant and appropriate under the said field when issuing consolidated e-Invoice.	Services" field in the consolidated e-Invoice or consolidated self-billed e-Invoice. Instead, the UTS / UTMIC is required to input relevant and appropriate description which reflects the nature of the transaction in the said field when issuing consolidated e-Invoice or consolidated self-billed e-Invoice.
7	Request to exclude UTS from mandatory issuance of e-Invoice for every sale of goods or services exceeding RM10,000, starting 1 January 2026	Thank you for your feedback. As you are aware, the government has introduced a new rule, where any single transaction with a value exceeding RM10,000 is not allowed to be consolidated. This new introduction is applicable to all industries with no exception. It is advisable for the industry members to conduct the necessary communication with your customers to ensure that customers are aware of such requirement being implemented.	Despite the significant challenges faced by the industry members, the IRB remain adamant not to allow any requests for exclusion or exemption for this matter. In light of this, members are required to make continuous efforts to ensure that all mandatory e-Invoice details are collected for any single transaction exceeding the value of RM10,000, including utilising the IRB's TIN search function for the taxpayer to obtain the TIN number of their buyer / supplier.
8	Request to allow the use of MyTentera or MyPolis number to be inputted under the "Registration / Identification Number / Passport Number" field instead of NRIC.	<p>Please see below:</p> <ul style="list-style-type: none"> • MyTentera : e.g. 12 digit characters similar to NRIC • Nombor Tentera : e.g. T12345, 12345T <p>Please note that MyPolis number has been revoked and the police officers are now assigned with normal NRIC as general public.</p> <p>If there is any need to change from MyTentera to NRIC, taxpayer themselves need to update their MyTax.</p>	<p>The IRB has informed that the operational issue encountered by the industry members when inputting the MyTentera number under the "Registration / Identification / Passport Number" field is due to the mismatch of buyer / supplier details recorded in their own MyTax account.</p> <p>For example, Buyer A has been assigned with both NRIC and MyTentera number. However, the identification number recorded in the Buyer's A MyTax account is his / her NRIC instead of MyTentera number. Thus, the IRB will not be able to recognise Buyer A's MyTentera number for the purpose of e-Invoicing until such identification number is changed from his / her own MyTax account.</p> <p>Meanwhile, MyPolis number has been revoked and the police officers are now assigned with normal NRIC as general public.</p>

- Appendix 2 -

Illustration of charging of management fees and granting of management fee rebate under fund-of-fund structure



- UTMC charged a management fee at 1.5% p.a. to the Feeder Fund. Such management fee is deducted from the NAV of the Feeder Fund.
- UTMC charged a management fee at 1.8% p.a. to the Target Fund. Such management fee is deducted from the NAV of the Target Fund.
- Feeder Fund invests in Target Fund and carries such investment in its balance sheet based on the NAV of the Target Fund. Movement in the NAV of the Target Fund affects the NAV of the Feeder Fund.
- In this respect, Feeder Fund has been charged with management fee twice at 1.5% p.a. directly by the UTMC and 1.8% p.a. indirectly, to the extent of its investment in the Target Fund (i.e. direct impact on Feeder Fund's NAV).
- Therefore, UTMC will grant a rebate of management fee to Feeder Fund at 1.8% p.a. on the amount of its investment in Target Fund (based on the management fee rate charged to the Target Fund).
- The rebate may be settled by way of netting off the management fee of 1.5% p.a. that UTMC charged to the Feeder Fund. It is akin to a reimbursement from the UTMC for the management fee of 1.8% p.a. the Feeder Fund loses in the NAV of the Target Fund, to the extent of the Feeder Fund's investment in the Target Fund.