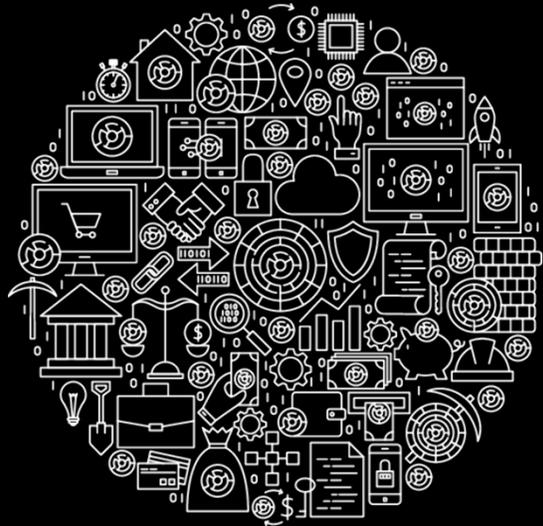


ALERT ON INVOICES AND DOCUMENTS

Decree No. 123/2020/ND-CP providing guidance on invoices and documents

28 October 2020



General introduction

Decree No. 123/2020/ND-CP ("**Decree 123**") dated on 19 October 2020 provides guidance on invoices and documents which has officially extended the compulsory implementation of e-invoices until **01 July 2022**.

However, enterprises are encouraged to apply e-invoices and e-documents as instructed in Decree 123 if they meet the conditions on technology infrastructure. The transitional provisions of this Decree also state that during the period from now until 30 June 2022, if the Tax authority requests any enterprise to apply e-invoices but that enterprise has not met the conditions regarding technological infrastructure, such enterprise must provide invoice data to the Tax authority according to the Form No. 03/DL-HDDT, Appendix IA as provided in the Decree 123 along with its Value Added Tax returns.

Accordingly, enterprises are allowed to continue using "paper invoices" and the registered e-invoices in accordance with previous regulations until **30 June 2022**. During the transition period, **except for the cases of applying e-invoices in accordance with the Decree No. 119/2018/ND-CP ("Decree 119") and its guidance**, enterprises shall apply the relevant invoice procedures as guided in Decree No. 51/2010/ND-CP, Decree No. 04/2011/ND-CP and Circular No. 32/2011/TT-BTC. In addition, Decree 123 allows the use of paper invoices provided by local Tax authorities for specific cases with limited time.

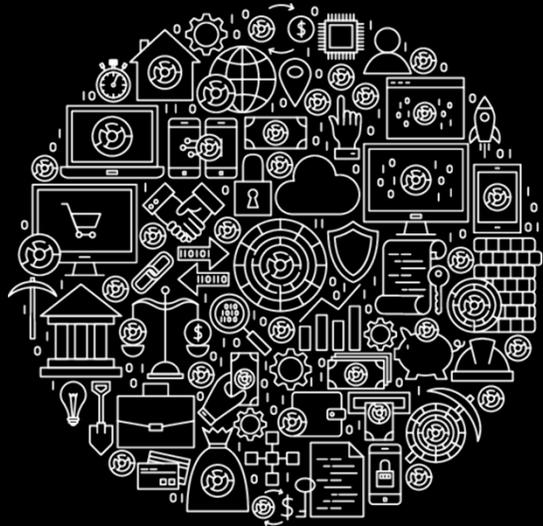
Most of the guidance on e-invoice regulated in Decree 123 was discussed in Decree 119 dated on 12 September 2018 guiding on e-invoices and Circular No. 68/2019/TT-BTC ("Circular 68") dated on 30 September 2018 guiding on the provisions of Decree 119. Nevertheless, Decree 123 has provided more clarifications on applying e-invoices.

In this Alert, Deloitte Vietnam summarize notable points in the "transition period" for implementing e-invoices as outlined in Decree 123.

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2. The usage of e-invoices

- **E-invoices with verification codes of the Tax authority are used regularly (through organizations providing electronic invoice services and do not have to pay for service fee in the first 12 months of usage) applicable to:**
 - Small and medium-sized enterprises, cooperatives, households and individuals doing business in areas with difficult socio-economic conditions or geographical areas with particularly difficult socio-economic conditions;
 - Other small and medium-sized enterprises at the request of the People's Committees to the Ministry of Finance, except for the enterprises operating in economic zones, industrial parks, and high-tech parks.
- **E-invoices without verification codes of the Tax authority are used regularly (through organizations providing electronic invoice services with fee payment) applicable to the enterprises, economic organizations, households and business individuals that do not belong to the case where e-invoices with verification codes of the Tax authority are used regularly.**
- **E-invoices with verification codes of the Tax authority which will be provided by the Tax authority at the time of occurring:** based on specific cases, such as organizations that do not do business but have goods and services selling transactions; enterprises sell assets after liquidation or bankruptcy where the tax code has been termination; enterprises and economic organizations sell assets after its business is ceased but the procedure for terminating tax code has not been completed; enterprises and economic organizations suspend business activities in order to fulfill the contracts signed before the date being notified as business suspension by the Tax authority; enterprises and economic organizations are forced by Tax authorities to stop using e-invoices.
- **Paper invoices purchased from the Tax authority and used for a maximum of 12 months:** this will be applicable to enterprise and economic organizations that use e-invoices with verification codes of the Tax authority regularly but do not meet the conditions on technology infrastructure for transmitting electronic invoice data.



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