



TAX ALERT

Circular No. 68/2019/TT-BTC guiding Decree No. 119/2018/ND-CP on electronic invoices for selling goods and providing services

11 October 2019

On 30 September 2019, the Ministry of Finance issued Circular No. 68/2019/TT-BTC ("Circular 68") guiding a number of articles of Decree No. 119/2018/ND-CP on e-invoices when selling goods and providing services.

Below are some notable points for your reference

1. Using VAT e-invoices or sale e-invoices when exporting goods and services

- Enterprises exporting goods and services (including processing facilities exporting goods) shall use VAT or sale e-invoice when exporting goods or services.
- When deliver goods to custom gate, enterprises shall use e-delivery note as transporting documents. After completing custom procedures, enterprises shall issue VAT or sale e-invoice for the exported goods.
- *Note: it is unclear how this regulation will affect the customs declaration of exported goods.*

2. Buyer's signature on e-invoice

In case the buyer is a business establishment and the buyer and seller have agreed that the buyer satisfies the technical conditions to electronically sign on the e-invoice made by the seller, then the buyer shall electronically sign on the invoice.

3. Issuing time of e-invoice

Issuing time of e-invoicing is when the seller electronically signs on the e-invoice, which is displayed in the format of date, month and year.

4. Format of e-invoice

The e-invoice shall follow XML format and consists of two components: one component shall contain technical data of the e-invoice, and the other component contains electronic signature data. For e-invoice with the Tax authority's code, there will be an additional component containing data related to the Tax authority's codes.

5. Handling e-invoices sent to buyers with errors in name and address

- In case there is an error in the name, address of the buyer but the tax code and other content are correct, the seller shall notify the error to the buyer and notify the Tax authority, using Form No. 04 provided in the Appendix attached with Decree No. 119/2018/ND-CP, without re-issuance of the e-invoice.
- If there is an error in the tax code, amount value, tax rate, tax amount, or goods stated on the invoice are not provided in accordance with the specifications and quality, then the seller and the buyer shall make a written agreement specifying the errors and the seller shall notify the Tax authority using Form No. 04 provided the Appendix attached with Decree No.

119/2018/ND-CP for cancellation of the e-invoices and creation of a new e-invoices to replace the erroneously issued e-invoices.

6. Effective date

- The Circular takes effect from 14 November 2019.
- Transition period: from 14 November 2019 to 31 October 2020. During this period, Decree No. 51/2010/ND-CP dated 14 May 2010 and Decree No. 04/2014/ND-CP dated 17 January 2014 are still valid.

7. Transition treatment

- From now until 31 October 2020, enterprises which has not been notified to switch to using e-invoices according to Decree No. 119/2018/ND-CP and following the guidance in Circular 68, may still use invoices in accordance with the provisions of Decree No. 51/2010/ND-CP dated 14 May 2010, Decree No. 04/2014/ND-CP dated 17 January 2014 and guiding documents of Decree No. 51/2010/ND-CP, Decree No. 04/2014/ND-CP.
- From the date enterprises applying e-invoices as prescribed in Circular 68, if enterprises identified invoices issued in accordance with the Ministry of Finance's previous guiding documents contain errors, the seller and the buyer must make a written agreement specifying the errors, notify the Tax authority using Form 04 issued with Decree No. 119/2018/ND-CP and issue an e-invoices (e-invoices with the Tax authority's codes or e-invoices without the Tax authority's codes) to replace the issued invoices containing error.

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Should you have any further inquiries, please feel free to contact us directly.

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