

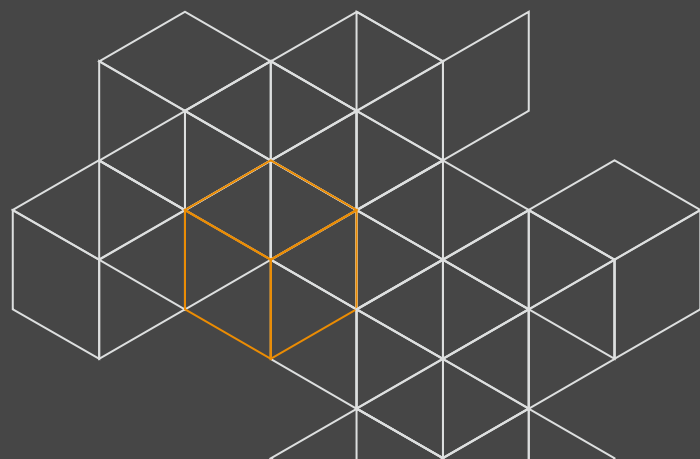


# PwC Vietnam NewsBrief

New Circular guiding the Tax admin law 2019 and Decree 123/2020 on invoices



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# At a glance...

On 17 September 2021, the Ministry of Finance released new circular 78/2021 guiding certain provisions of the Law on Tax Administration 38/2019 and Decree 123/2020 on invoices and documents. Circular 78 will take effect from 1 July 2022 and taxpayers are encouraged to implement e-invoices before this date.





# In detail ...

## Key points

From 1 July 2022 onwards, all businesses, economic organizations, business households and individuals paying tax under the declaration method must compulsorily apply e-invoices (except for certain cases).

Circular 78 provides detailed guidance on certain e-invoices matters, such as authorization to issue e-invoices; form number and serial number; conversion into e-invoices with verification code; handling of e-invoices with errors; storage of e-invoices, etc.

Regarding the authorisation for e-invoice issuance, the authorised party must be a related party of the seller and must not belong to cases where e-invoice usage is postponed as regulated. The authorisation must be agreed in writing. Both the authoriser and the authorised party are required to send the notification to the tax authorities on this authorisation in a prescribed form.

In case enterprises are using e-invoices without verification code and would like to change to e-invoices with verification code, they are required to follow the guidance on the change of information under Article 15 of Decree 123/2020.

Enterprises using e-invoices without verification code must transmit e-invoice data to the tax authority within the date the e-invoice is sent to the buyer at the latest, except for certain cases such as telecommunication, insurance, banking, air transportation, securities, etc.

Circular 78/2021 also provides guidance on handling e-invoices issued with errors. For instance, for e-invoices with errors that require to be adjusted or replaced as regulated, the seller can choose to notify the amendment for each e-invoice with errors or for multiple e-invoices with errors using a prescribed form. This notification can be submitted to the tax authorities at any time but at latest by the last day of the VAT declaration period in which the adjustment invoices are issued.



# In detail ...

There is a specific guidance for e-invoices with verification code issued from cashiers which have connection to transmit data to the tax authorities (relevant to supermarket, food and beverage, restaurant, retails, etc).

There are conditions for companies providing e-invoice solutions and data transmission.

From the effective date of Circular 78/2021, certain circulars and decisions in relation to invoicing will expire such as Circular 32/2011 on e-invoices, Circular 39/2014 on invoices, Circular 68/2019 guiding Decree 119/2018/ND-CP on e-invoices, etc.

For companies which use e-invoices or invoices under previous regulations, they can continue using such invoices until 30 June 2022.

On a related matter, in late September, the Ministry of Finance issued decisions to implement e-invoices in accordance with Decree 123/2020 and Circular 78/2021 in 6 cities and provinces (i.e. Hanoi, Ho Chi Minh City, Hai Phong, Phu Tho, Quang Ninh and Binh Dinh) from 1 November 2021. Based on that, the General Department of Taxes also issued Decision 1417 dated 27 September providing a detailed implementation plan in these 6 provinces.

# Contact us

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