

# TAX UPDATES

**DECREE NO. 123/2020 / ND-CP  
REGULATING INVOICES AND  
DOCUMENTATION**

# OVERVIEW

Decree No. 123/2020 / ND-CP (“Decree No. 123”) **regulating invoices and documents**, granted by the Government on 19 October 2020, **shall take effect from 01 July 2022**. Also, agencies, organizations and individuals that meet the information technology infrastructure requirements are encouraged to **apply the provisions on e-invoices and documents of the Decree before 01 July 2022**.

Decree No. 123 has had significant changes compared to Decree No. 119/2018 / ND-CP ("Decree No. 119" ) prescribing on using e-invoices for sales of goods and provision of services.

We hereby update some noticeable contents for legal compliance purposes.

# SOME NOTEWORTHY ISSUES

## 1. Abolishing the regulation on "compulsory use of e-invoices from 01 November 2020" in Decree No. 119

Specifically, Clauses 2 and 4, Article 35 of Decree No. 119 on e-invoices is repealed. Hence, it is no longer compulsory for businesses, economic organizations, other organizations, business households and individuals to complete the implementation of e-invoices and authenticated e-invoices from 01 November 2020.

Besides, Decree No. 51/2010/ND-CP, Decree No. 04/2014/ND-CP and Decree No. 119 continue to take effect until 30 June 2022.

### **Article 35. Entry into force**

*"2. The implementation of e-invoices and authenticated e-invoices as provided by this Decree shall be completed by enterprises, economic or other organizations, business households and individuals by 01 November 2020."*

*"4. From 01 November 2020, [the Decree No. 51/2010/ND-CP](#) dated 14 May 2010 and [the Decree No. 04/2014/ND-CP](#) dated 17 January 2014 of the Government on sales and service invoices shall be repealed."*

# SOME NOTEWORTHY ISSUES

## 2. For using the published but unused invoices

If enterprises and economic organizations that have notified the publication of printed invoices, self-printed invoices, unauthenticated e-invoices or have registered to apply authenticated e-invoices or have purchased invoices from the Tax Authority **before 19 October 2020**, they could probably continue to use them **from 19 October 2020 to the end of 30 June 2022** in compliance with the invoice procedures according to the provisions of Decree No. 51/2010/ND-CP and Decree No. 04/2014/ND-CP.

During the period from 19 October 2020 to 30 June 2022, the Tax Authority informs business establishments to apply e-invoices according to the provisions of Decree No. 123 or Decree No. 119. If the informed business fails to meet information technology infrastructure requirements and continues to use the aforesaid invoices, it must send its invoice data to the Tax Authority by using the Form No. 03 in Appendix IA enclosed with Decree No. 123 and submit its VAT declaration. The Tax Authority shall create data about e-invoices of businesses in order to consolidate them into the e-invoice database and publish it on the Web Portal of the General Department of Taxation for searching of e-invoice data.

# SOME NOTEWORTHY ISSUES

## 3. Regarding invoices usage for the newly established enterprise

With respect to enterprise established during the period from 19 October 2020 to 30 June 2022, if the Tax Authority informs businesses of implementing e-invoices in line with the provisions of Decree No. 123, these enterprises must follow the Tax Authority's instructions.

If any enterprise continues to use invoices as prescribed in the Decree No. 51/2010/ND-CP and Decree No. 04/2014/NĐ-CP due to its failure to meet information technology infrastructure requirements, it must send its invoice data to the Tax Authority by using the Form No. 03 enclosed with Decree No. 123 and submit its VAT declaration. The Tax Authority shall create data about e-invoices of businesses in order to consolidate them into the e-invoice database and publish it on the Web Portal of the General Department of Taxation for searching of e-invoice data.

# SOME NOTEWORTHY ISSUES

## 4. For using invoices printed by Tax Authority after 01 July 2022

Tax Departments of provinces and Centrally controlled cities (hereinafter referred to as Tax Departments) print invoices for sale to the following subjects:

(1) Enterprises, economic organizations, business households or individuals in case of failure to conduct transactions with the Tax Authority by electronic means, no IT infrastructure, accounting software, and e-invoicing software systems to use e-invoices and transmit e-invoice data to purchasers and the Tax Authority:

- Small and medium-sized enterprises, cooperatives, business households and individuals that operate at areas facing socio-economic difficulties or extreme socio-economic difficulties (*according to the list of areas eligible for investment incentives issued together with Decree No. 118/2015/ND-CP and documents amending, supplementing or replacing if any*).
- Other small and medium-sized enterprises under the regulations.

(2) Enterprises, economic organizations, households or individuals doing business during the time the IT infrastructure system of Tax Authority have problems according to regulations.

## CONTACT INFORMATION

This document gives the general information on interested matters that is not considered as professional consultancy. For more information, please contact:



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