



## DECREE 119/2018/ND-CP ON ELECTRONIC INVOICE

On 12 September 2018, the Government issued Decree 119/2018/ND-CP (“Decree 119”) on Electronic Invoice (“e-Invoice”) for selling goods and providing services. In this content, we would like to update the important notes relating to : (1) Subjects to use e-Invoice; (2) Effective date of Decree 119; (3) Transitional provisions for paper invoice; and (4) Measurements for erroneous e-Invoice



## 1. Subjects to use Electronic Invoice (“e-Invoice”)

Enterprises and business organizations that provide goods and services shall be subject to use e-Invoice (irrespective of value of each sale) the usage of the e-Invoice are applied 02 (two) forms of as follows:

- E-Invoice without verification code will be applicable to enterprises doing business in the fields of electricity; petroleum; posts and telecommunications; air, road, rail, sea, and waterway transportation; clean water; credit financing; insurance; medicals; ecommerce business; supermarket; commercial and entrepreneurs, or economic organizations which have or will conduct transactions with tax authority by electronic means and satisfy the conditions on software, data transfer and storage as regulated;
- E-Invoice with verification of tax authority will be applicable to the below subjects:
  - Individuals/Households businesses;
  - Enterprises with high tax risks;
  - Business organizations having the needs of using e-Invoice with the verification code of tax authority.

## 2. Effective date of Decree 119

- Decree 119 begin takes effect from 01 November 2018
- Under the guidance of Decree 119, enterprises have two-year period (from 01 November 2018 to 30 October 2020) to make the transition from using of paper Invoice to using the e-Invoice.

## 3. Transitional provision for paper invoice

According to Decree 119, the transitional provisions for the paper invoice including pre-printed invoice, self-printed invoice or purchased invoice from tax authority, which has been announced for issuing before 01 November 2018, shall stipulate as follows:

- Enterprises will continue using the paper invoices until the end of 31 October 2020;
- Enterprises will continue implementing invoice procedures in accordance with Decree 51/2010/ND-CP and Decree 04/2014/ND-CP;
- In the period from 01 November 2018 to 31 October 2020, when starting the use of e-Invoice, enterprises must destroy all the unused paper invoices (if any).



## 4. Measurements for estab erroneous e-invoice

The countermeasure	03 Scenarios of detection of errors in issued e-invoices		
	Errors detected before sending to buyer	Errors detected after sending to buyer	Errors detected by the tax authority after the data of issued e-Invoices submitted to the tax authority
<b>Cancel e-Invoice</b>	<ul style="list-style-type: none"> <li>The seller shall report to the tax authority by Form No. 04 (*).</li> <li>If the errors has been detected before sending to buyer, both the buyer and the seller shall make a written agreement to clearly indicating the error.</li> <li>The seller shall cancel the erroneous e-Invoice and make a new e-Invoice for replacement in order to re-send to the buyer and tax authority.</li> </ul>		<ul style="list-style-type: none"> <li>If the tax authority discover the erroneous e-invoice, the seller shall receive notification by Form No. 05 (*) from the tax authority.</li> <li>Within two (02) days after the tax authority sent the notification, the seller shall cancel the erroneous e-Invoice and make a new e-Invoice for replacement in order to re-send to the buyer and tax authority.</li> </ul>

(\*) Form No.04 and Form No.05 are issued together with Decree 119



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