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Electronic invoices under Decree 119/2018 of Vietnam

The government of Vietnam has recently issued Decree No. 119/2018/ND-CP (“[Decree 119](#)”) on the use of electronic invoices (“[E-invoices](#)”) for sale of goods and services which took effect on 1 November 2018. Under this Decree 119, the government aims that at least 90% of enterprises, economic organisations, households and individual businesses will use E-invoices by 1 November 2020.

The key highlights of Decree 119 is listed below:

Difference between Paper invoices and E-invoices

The key difference between the currently applicable paper invoices (“[Paper invoices](#)”) and the E-invoices is that the digital and electronic signatures of the seller and/or the buyer will be used in the E-invoices rather than the wet signatures as required for Paper invoices.

Types of E-invoices

There are main 2 types of E-invoices to be used for sale of goods and services in Vietnam including one with the tax authority’s identification code and one without the tax authority’s identification code. Further, E-invoices with tax authority’s code are permitted for all industrial sectors. However, it should be noted that E-invoices without the tax authority’s code are only applicable for some specific industrial sectors provided in Decree 119, such as electricity, petroleum, telecommunications, transport, and e-commerce.

Registration required before issuing E-invoices

The sellers need to access the web portal of the General Department of Taxation for registration to obtain approval for use the E-invoices (with or without tax authority’s code) before they use the E-invoices (with or without tax authority’s code) for the first time.

Conversion of an E-invoice into Paper invoice

E-invoices can be converted into the Paper invoices. However, such Paper invoices are only valid for retention of records and auditing purposes in accordance with law on accounting and law on electronic transactions, and shall not be valid for use in transactions and payment, except when the invoice is created from a cashier machine connected to the tax authority for transferring electronic data.

With the introduction of Decree 119, a solid legal framework is provided for use of the E-invoices, which is much more convenient than Paper invoices. Using E-invoices, among other benefits, companies and their customers can cut down on physical storage space required for Paper invoices and the risk of losing or damaging invoices is much lower compared to Paper invoices.

If you have any questions or require any additional information, please contact [Loan Danh](#) or the ZICO Law partner you usually deal with.

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