

Deloitte Vietnam

Contacts:

Thomas McClelland
Tax Partner
tmcclelland@deloitte.com
Tel: +84 8 3911 0727

Lynn Tastan
Tax Partner
ltastan@deloitte.com
Tel: +84 8 39105330

Tuan Bui
Tax Director
tbui@deloitte.com
Tel: +84 4 62883568

Minh Bui
Tax Director
mbui@deloitte.com
Tel: +84 4 62883568

New Circular on self-printing and the printing of VAT invoices on order

On 28 September 2010, the Ministry of Finance (MOF) has issued **Circular 153/2010/TT-BTC** (“**Circular 153**”) guiding the implementation of the Government’s Decree No. 51/2010 ND-CP dated 14 May 2010 on the use of goods sales and service provision invoices applied from 01/01/2011.

The scope of Circular 153 includes guidelines for the printing, issuance and use of goods sales and service provision invoices; the sanctioning of administrative violations related to invoices; tasks and powers of tax administration agencies at all levels as well as agencies and organizations involved in the printing, issuance and use of invoices; and rights, obligations and responsibilities of agencies, organizations and individuals in the printing, issuance and use of invoices.

Thus, we would like to summarize the key points in Circular 153 for your consideration and action:

- **Types of invoices:** New regulation has added export invoice used in exporting goods and services abroad and into non-tariff zones. Thus, value-added invoice and normal sales invoice used in transactions occurred domestically.
- **Forms of invoices:** Circular 153 provides three basic types of invoice including self-printed invoice, e-invoice, and invoice printed to order. Printed invoices are printed under a contract between the enterprises or tax offices with printing organizations eligible defined in this Circular.
Self-printed invoice and e-invoice are distinguished as below:
Self-printed invoice, which is printed out by business organizations and individuals themselves from computers, cash registers or other machines when selling goods or services.
E-invoice, which is a combination of e-data messages on goods and service sale which are created, made, sent, received, stored and managed under the Law on E-Transactions and guiding documents.
- Based on the above mentioned forms of invoice, business organizations and individuals may concurrently issue invoices of different forms (self-printed invoice, invoice printed on order, e-invoice).

Subjects of issuing invoice by printing invoice from computers include enterprises in industrial parks, economic zones, export-processing zones or high-tech parks; enterprises having charter capital of at least VND 5 billion; public non-business units obtained tax code numbers. Other enterprises, who want to print invoices directly from their computers, must have sales module

software synchronized with the accounting software, and not having tax penalty over VND 20 million in 365 consecutive days.

E-invoices shall be created, made out and processed on computers of business organizations and individuals with tax identification numbers when selling goods or services and stored on computers of the involved parties under the law on e-transactions. The management and use of e-invoices shall be implemented by the separate guidance of the Ministry of Finance.

- Self-printed invoices issued by the previous regulations are allowed to be used until **31 March 2011**; however they must be registered with the tax offices no later than **20 January 2011**.
- Micro-enterprises, enterprises in the areas with difficult socio-economic conditions shall be permitted to continue buying tax invoices from the tax offices till the end of 2011.

Micro-enterprise, according to the guidelines of this Article, is a business establishment not having more than ten (10) employees pursuant to the Government's Decree No. 56/2009/ND-CP dated 30/6/2009 on providing development assistance to medium and small enterprises.

Area with specially difficult and difficult socio-economic conditions is area belonging to the Appendix of Corporate Income Tax (CIT) incentives areas, which were promulgated, enclosed with Decree No. 124/2008/ND-CP of the Government dated 11/12/2008 providing specific guidelines for implementation of the Law of CIT.

Business organization, households, individuals having needs of using invoices from 01/01/2011 shall be conducted to issue self-printed invoices, invoices printing on order and announcement of invoice issuance from 2010 pursuant to guidelines of this Circular.

This Circular takes effect on 1 January 2011, and replaces Circulars No. 120/2002/TT-BTC, No. 99/2003/TT-BTC, No. 16/2010/TT-BTC. Other guiding documents shall be effective to implement if not opposed to this Circular.

New rulings have brought about significant changes, which help enterprises more flexible in the use and management of invoices for business activities. Thus, we are willing to discuss with you to share your concerns in the implementation of the provisions mentioned above.

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