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ACCOUNTING FREQUENTLY ASKED QUESTIONS

Frequently asked questions	Page
1. In June 2023, the Company issued an invoice for the providing of services and goods but until 01 July 2023 is signing contract, VAT 8% or 10%?	02
2. Goods purchased are subject to the VAT rate of 10% and are sold after 01 July 2023, invoice 8% or 10%?	03
3. Are VAT-reduced invoices required to include specific tax rates for each goods and service?	03
4. How to handle invoices at the wrong time?	04
5. Invoices issued at the wrong time will be included in the deductible expense?	05



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
1. In June 2023, the Company issued an invoice for the providing of services and goods but until 01 July 2023 is signing contract, VAT 8% or 10%?	<p>In case an invoice is issued before 01 July 2023 but signed on 01 July 2023, the tax rate shall be determined as follows:</p> <p>(1) If the Company that signs a service provision contract with the collection of money before/while providing the service, has issued an invoice at the time of collection before 01 July 2023 at the tax rate of 10%, but the service is completed after 01 July 2023, the amount invoiced before 01 July 2023 will be subject to the 10% VAT rate.</p> <p>For the remaining unpaid amount, invoiced after 01 July 2023, the rate of 8% VAT will be applied.</p> <p>(2) If the Company providing goods and services has issued invoices and completed, accepted, and handed over before 01 July 2023, but only signed them until 01 July 2023, the VAT 10% rate will apply, and a penalty for making invoices at the wrong time.</p> <p>(3) If the Company provides specific goods or services such as electricity, water, telecommunications, logistics, etc., invoices made before 01 July 2023, the 10% VAT rate will apply.</p>	<p>Pursuant to Article 8 Circular 219/2013/TT-BTC stipulating the time of VAT determination.</p> <p>Pursuant to Article 9 Decree 123/2020/ND-CP stipulating the time of making invoices.</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
2. Goods purchased are subject to the VAT rate of 10% and are sold after 01 July 2023, invoice 8% or 10%?	<p>Recently, the Government issued Decree 44/2023/ND-CP effective from 01 July 2023 to 31 December 2023 on reducing the VAT rate when selling from 10% to 8% and this reduction of VAT rate is not based on the time of purchase.</p> <ul style="list-style-type: none">- Goods purchased with VAT rate of 10%, in the tax period, the Company will be refunded and deducted VAT.- Therefore, goods subject to tax reduction, even though they were purchased before 01 July 2023 with the tax rate of 10%, when sold after 01 July 2023, still issue an invoice at the tax rate of 8%.	<p>According to the definition in Article 2</p> <p>Law on Value Added Tax 2008</p> <p>Decree 44/2023/ND-CP</p>
3. Are VAT reduced invoices required to include specific tax rates for each goods and service?	<p>Based on Clause 4, Article 1 of Decree 44/2023/ND-CP with the following contents:</p> <p>Reduced value added tax</p> <p>...</p> <p><i>4. In case a business establishment specified at Point a, Clause 2 of this Article, when selling goods or providing services, applies different tax rates, the value-added invoice must clearly state the tax rate of each goods or service as prescribed in Clause 3 of this Article.</i></p> <p><i>In case the business establishment specified at Point b, Clause 2 of this Article, when selling goods or providing services, the sale invoice must clearly state the amount of the reduction as prescribed in Clause 3 of this Article.</i></p> <p>Accordingly, the new regulations stipulate that business establishments are not required to issue separate invoices according to each type of tax but can issue the same invoice for many types of goods and services, but clearly specify the tax rate of each type of corresponding goods and services.</p>	<p>Pursuant to Clause 4, Article 1</p> <p>Decree 44/2023/ND-CP</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
4. How to handle invoices at the wrong time?	<p>Based on Clause 8, Article 14 of Circular 219/2013/TT-BTC stipulating the input value-added tax deduction principle, making invoices at the wrong time will not affect the payable tax amount, then both the seller and the buyer do not need to make an additional VAT return.</p> <p>However, for the seller, the invoice is processed at the wrong time as follows:</p> <ul style="list-style-type: none">- The seller and the buyer make a written agreement specifying the error or informing about the error of the invoice (if the error is the responsibility of the seller).- The seller issues an e-invoice to adjust the issued invoice. <p>On the adjusted invoice, clearly write the content "Adjustment of invoice date, month and year number ... day ... month ... year ... from day month year to day month year" as the form below:</p> <ul style="list-style-type: none">- Send adjusted invoice to buyer.- The seller and the buyer save the adjustment minutes for later explanation.	<p>Pursuant to Clause 8, Article 14</p> <p>Circular 219/2013/TT-BTC</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
5. Invoices issued at the wrong time will be included in the deductible expense?	<p>If the invoice is issued at the wrong time, then:</p> <p>Buyer: Included in the expenses when calculating CIT and declaring input VAT withholding, provided that the purchase and sale is true; have invoices and payment vouchers in full; The seller has fully declared and paid tax.</p> <p>Seller: Will be penalized for the act of making invoices at the wrong time, depending on the case, the penalty will be different.</p>	<p>Pursuant to Article 6 Circular 78/2014/TT-BTC (As amended by Article 4 Circular 96/2015/TT-BTC)</p> <p>Official Dispatch 2731/TCT-CS 2016</p>