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ACCOUNTING FREQUENTLY ASKED QUESTIONS

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ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
1. Does the Company need to issue an invoice for goods used for promotion?	<p>In Clause 1, Article 4, Decree No. 123/2020/ND-CP stipulates the principles for creating, managing and using invoices and documents as follows:</p> <p><i>"1. When selling goods or providing services, the seller must issue an invoice to deliver to the buyer (including cases of goods and services used for promotion, advertising, sample goods; goods and services used for to give, donate, donate, exchange, pay instead of wages to workers and for internal consumption (except for goods circulated internally to continue the production process); export goods in the form of loans and grants. borrow or return goods) and must fully record the content as prescribed in Article 10 of this Decree. In case of using electronic invoices, it must follow the tax authority's standard data format as prescribed in Article 12. This Decree."</i></p> <p>Therefore, for goods used for promotion, the Company still has to issue an invoice to deliver to the buyer.</p>	<p>Clause 1, Article 4, Decree No. 123/2020/ND-CP stipulates the principles for creating, managing and using invoices and documents</p>
2. If I do not issue an invoice for goods used for promotion, will I be fined for an administrative violation regarding invoices?	<p>At Point b, Clause 2, Article 24 of Decree No. 125/2020/ND-CP dated October 19, 2020 of the Government stipulating penalties for violations of regulations on invoicing when selling goods and services as follows :</p> <p>"2. Fine from 500,000 VND to 1,500,000 VND for:</p> <p>...b) Do not issue invoices for goods and services used for promotion, advertising, or sample products; Goods and services used to give, donate, donate, exchange, or pay instead of wages to workers, except for goods circulated internally and consumed internally to continue the production process.</p> <p>Therefore, the act of not issuing invoices for goods used for promotion is subject to a fine of from 500,000 VND to 1,500,000 VND.</p>	<p>At Point b, Clause 2, Article 24 of Decree No. 125/2020/ND-CP dated October 19, 2020 of the Government stipulating penalties for violations of regulations on invoicing when selling goods and services</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
3. How does the law prescribe penalties for illegal use of invoices and illegal use of invoices?	<p>Accordingly, Decree No. 125/2020/ND-CP has dedicated a chapter (from Article 20 to Article 31) regulating administrative violations on invoices, penalties and remedial measures.</p> <p>Depending on the circumstances, violations of illegal use of invoices or illegal use of invoices will be punished according to the act of false declaration leading to a lack of tax payable or an increase in the tax amount to be exempted. reduce, refund; or punish tax evasion; or fine from 20,000,000 VND to 50,000,000 VND according to regulations.</p> <p>And the tax authority will transfer records of violations showing signs of crime to prosecute criminal liability for acts of tax evasion with an amount of 100 million VND or more or less than 100 million VND, which have been sanctioned. administratively committed tax evasion or have been convicted of this crime or of one of the crimes specified in a number of articles of the Penal Code, have not had their criminal records erased but are still committing violations.</p>	<p>According to Article 20 to Article 31 of Decree No. 125/2020/ND-CP dated October 19, 2020, sanctioning administrative violations of taxes and invoices</p>
4. How to make an invoice in case the buyer returns the goods due to incorrect specifications and quality?	<p>In cases where an organization or individual purchases goods, the seller has issued an invoice and the buyer has received the goods, but later the buyer discovers that the goods do not comply with specifications or quality and must return all or part of the goods. The seller issues a return invoice to reduce or replace the invoice that was issued. The seller and buyer have an agreement clearly stating the returned goods.</p> <p>In cases where goods purchased before January 1, 2023 are subject to VAT reduction at a tax rate of 8%, after December 31, 2022, the buyer returns the goods due to incorrect specifications and quality. The seller issues an invoice to return the goods with a VAT rate of 8%.</p>	<p>Official dispatch 2121/TCT-CS dated May 29, 2023</p>



ACCOUNTING FREQUENTLY ASKED QUESTIONS (cont.)

Questions	Answer	Reference
5. What will be the penalties for making invoices at the wrong time?	<p>Pursuant to Article 24 of Decree 125/2020/ND-CP stipulates as follows:</p> <p>"Penalties for violations of regulations on invoicing when selling goods and services</p> <p>1. A warning shall be imposed for one of the following acts:</p> <p>a) Issuing invoices at the wrong time but does not lead to delay in fulfilling tax obligations and there are extenuating circumstances;</p> <p>...</p> <p>3. A fine from 3,000,000 VND to 5,000,000 VND shall be imposed for making invoices at the wrong time but not leading to delay in fulfilling tax obligations, except for the case specified in Point a, Clause 1 of this Article.</p> <p>4. Fine from 4,000,000 VND to 8,000,000 VND for one of the following acts:</p> <p>a) Issuing invoices at the wrong time according to the provisions of law on invoices for selling goods and providing services, except for the cases specified in Point a, Clause 1, Clause 3 of this Article;</p> <p>..."</p>	Pursuant to Article 24 of Decree 125/2020/ND-CP