
Recent Legal Developments in Vietnam

New Decree prescribing electronic invoices for sale of goods and provision of services

On 12 September 2018, the Government passed the Decree No. 119/2018/ND-CP (**Decree 119**) detailing the e-invoices for provision of goods and services which has come into effect on 1 November 2018, indicating some focal points as follows:

- (i) The implementation of e-invoices and e-invoices with verification code of the tax authorities as provided by this Decree 119 shall be completed by enterprises, economic or other organizations, business households and individuals by November 1, 2020¹. Additionally, they shall be bound to destroy paper invoices which remain unused (if any) by law from the date of e-invoices utilization². E-invoices can be converted into paper invoices for the purpose of recording and monitoring under the Law on Accounting. Such converted paper invoices are however not valid for executing transactions or payment³.
- (ii) Notably, the enterprises having business in the following sectors: electricity, petroleum, post and telecommunications, transportation, clean water, finance and credit, insurance, healthcare, e-commerce, supermarket, commerce, and other enterprises or economic organizations transacting with the tax authorities electronically and maintaining technology infrastructure, accounting software, e-invoice software as regulated may use e-invoices without verification code of the tax authorities for their provision of goods and services, irrespective of value of each provision of goods or services.⁴ Enterprises other than the above or high tax risk enterprises must use e-invoices with verification code of the tax authorities⁵.
- (iii) Before using e-invoices (either with or without verification code), enterprises must register and obtain approval from the tax authorities via the web portal of the General Department of Taxation ("GDT")⁶.

New Decree on confidentiality and provision of customer information by credit institutions and foreign bank branches.

On 11 September 2018, the Government issued Decree No. 117/2018/ND-CP ("Decree 117") regarding the confidentiality and provision of customer information by credit institutions and foreign bank branches. Decree 117 shall take effect on 01 November 2018. Notable points are as follows:

1. Principles of secret keeping and provision of customer information⁷:
 - (i) Credit institutions and foreign bank branches holding customer information must keep confidential and shall only provide customer information in accordance with the laws;

¹ Decree 119, Article 35.2.

² Decree 119, Article 14.3.

³ Decree 119, Article 10.

⁴ Decree 119, Article 12.2.

⁵ Decree 119, Article 12.

⁶ Decree 119, Article 14.

⁷ Decree 117/2018/ND-CP, Article 4

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- (ii) Credit institutions and foreign bank branches shall not provide customer authentication information when accessing banking services to any authority, organization or individual unless having written acceptance or some other form of agreement provided by the customer ;
 - (iii) Authorities, other organizations and individuals shall be entitled to require credit institutions and foreign bank branches to provide customer information in accordance with their purposes, competence, etc. as provided in the laws of Vietnam and shall be responsible for the requirement of information provision;
 - (iv) Authorities, other organizations and individuals shall keep all customer information confidential, only use such information in accordance with the purpose of requirement of the information and not be entitled to provide customer information to any other third parties without having prior consent of the customer , unless it is provided under the laws of Vietnam;
 - (v) Authorities, organizations and individuals must archive and preserve all dossiers and documents relating to customer information, and dossiers regarding the requirement of provision and delivery of such information.
2. Situations where credit institutions and foreign bank branches are entitled to provide customer information⁸:
 - (i) Upon receiving valid request from the competent authorities as provided under the laws;
 - (ii) Upon receiving valid request from other organizations and individuals in the event such organizations and individuals are entitled to request for information provision as prescribed in Codes, Laws and/or Resolution of the National Assembly of Vietnam;
 - (iii) Upon receiving approval from customers in writing or in another form as agreed with such customers.
 3. Customers are entitled to claim, initiate a lawsuit or claim damages in cases where authorities, organizations, individuals, credit institutions and/or foreign bank branches provide or use customer information not in accordance with the laws of Vietnam⁹.

⁸ Decree 117/2018/ND-CP, Articles 6 and 11

⁹ Decree 117/2018/ND-CP, Article 13.1(b)

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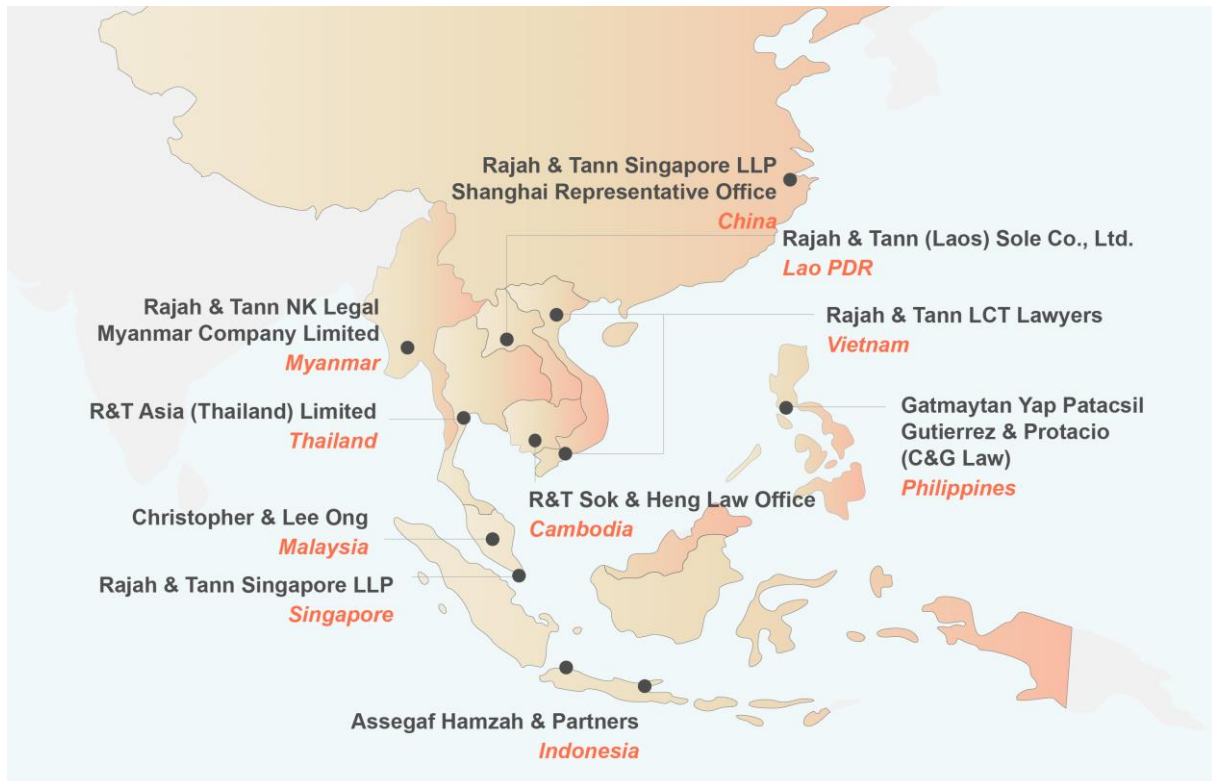
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