



E-invoice Services

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Why E-Invoice? Macro Trend

Some of the push toward e-invoicing rests on the steady, incremental move toward cashless societies, and the underpinning technology disruptions.

In a digital economy with more than 42.66 million smartphone users expected in Vietnam by 2022 (Statista), businesses see expanding new markets at every turn. This digital trend is not just providing benefits for users, but to government and tax collection as well. The increased use of e-invoicing and electronic filing by government authorities is one such example of governments using digital tools to facilitate compliance and track fraud - quicker and more efficiently.



The mandate is growing for e-invoicing adoption

To sufficiently collect income and corporate taxes, recently the Ministry of Finance has prepared a Draft Decree to provide guidance on invoicing in accordance with the Law on Tax Administration 2019. According to this draft Decree, e-invoicing will be compulsory as from 1 July 2022. Under this Draft Decree VAT invoice or sales invoice shall be used when exporting goods/services. Previously, only commercial invoices were required.

This Draft Decree is expected to take effect on 1 July 2020 and replace Decree 119/2018/ND-CP and Circular 68/2019/TT-BTC on e-invoicing.

3 milestones for e-invoicing

in Circular 68/2019/TT-BTC and Decree 01/NQ-CP



Mandatory E-Invoicing

Here is a sampling of governments requiring e-invoicing in one form or another: Sweden's implementing the EU directive on e-invoicing in procurement by 2018.

- Australia tapped an e-invoicing supplier to standardize government e-invoicing.
- Brazil requires companies use a signing attribute proving invoice approval.
- Chile requires digital certificates and unique numbers for document authentication.
- Mexico requires digital stamps to verify e-invoice origin and authenticity.
- Colombia will require companies declaring VAT and consumer goods tax use e-invoicing in 2019.
- The US Office of Management and Budget instructed agencies to shift to e-invoicing for federal procurement by 2018.

E-Invoice are here, Are you ready?

While e-invoicing is by no means the norm in all corners of the globe, today's businesses can ill-afford a myopic view, whether or not they face mandates for adoption across all jurisdictions in which they operate. The growing shift in standardizing data and making it transparent is here to stay, and like a stack of cards, companies will eventually need to fall in line with e-invoicing requirements by governments.

Before e-invoicing implementation can occur, companies should look at internal operations, and ensure close collaboration across any and all departments that touch data elements.

"You need to understand the whole trajectory for company information," said Phuc Nguyen – Head of Enterprise for KPMG in Vietnam." who is responsible for data in the first place, what systems store it, what processes maintain it, and what different systems is the data fed into, until it reaches the invoice stage."

Answering these questions requires a thorough understanding of who does what within your organization, the different layers and stakeholders who impact data accuracy and standardization.

"It's a highly cross-functional process, starting with people within an organization, as well as systems, data, and overall planning," said Will Nguyen, Head of IT Advisory for KPMG in Vietnam. "Working together means looking at the Extract-Transform-Load process, specifically assessing your master data and determining how you can set some semblance of automation and standardization of internal operations, account receivable (AR) and account payable (AP) management, in particular."

Checklist: Anatomy of the 'perfect invoice'

Does your business have the infrastructure to provide these data, accurately and in real time?

- The buyer and seller
- Company tax ID
- Registration numbers
- Invoice number to reference back information to your ERP system
- Correct description of the product or service your are selling
- Unit price and an extended price for your product or service
- Freight information
- Tax rate
- Tax amount
- Country of origin
- Purchase order number and payment terms

How KPMG can help

E-invoice System



Step 1: Design and Implementation

Step 2: Support

Design

- Consult clients on statutory requirements on e-invoice mechanism
- Analyze clients' IT systems and operational models regarding invoice management process
- Develop e-invoice environment (processes, policies, etc.) in accordance with prevailing regulations and clients' requested operational models
- Consult clients on selecting suitable server, hardware and HSM

Configuration

- Develop and configure e-invoice system based on designed solutions/demands requested by clients and recommended by KPMG.
- Our deliverables will be solely reviewed and approved by clients. In other words, clients will take ownerships on our deliverables.

Integration

- Conduct integration between e-invoice system with clients' systems
- Conduct training to clients' IT Department to hand over maintenance of integration

Support

- Support clients on e-invoice system operations after Go-live
- E-invoice support (i.e. reviewing, managing, etc.)
- Bookkeeping
- Tax compliance
- Retainer and other on demand



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