

Cashless payment documents and regulations on VAT deduction

AUD Vietnam has prepared this document to assist enterprises in thoroughly understanding the regulations on cashless payment documents and their implications for VAT deduction, thereby ensuring compliance with applicable laws and optimizing tax efficiency.



What are cashless payment documents?

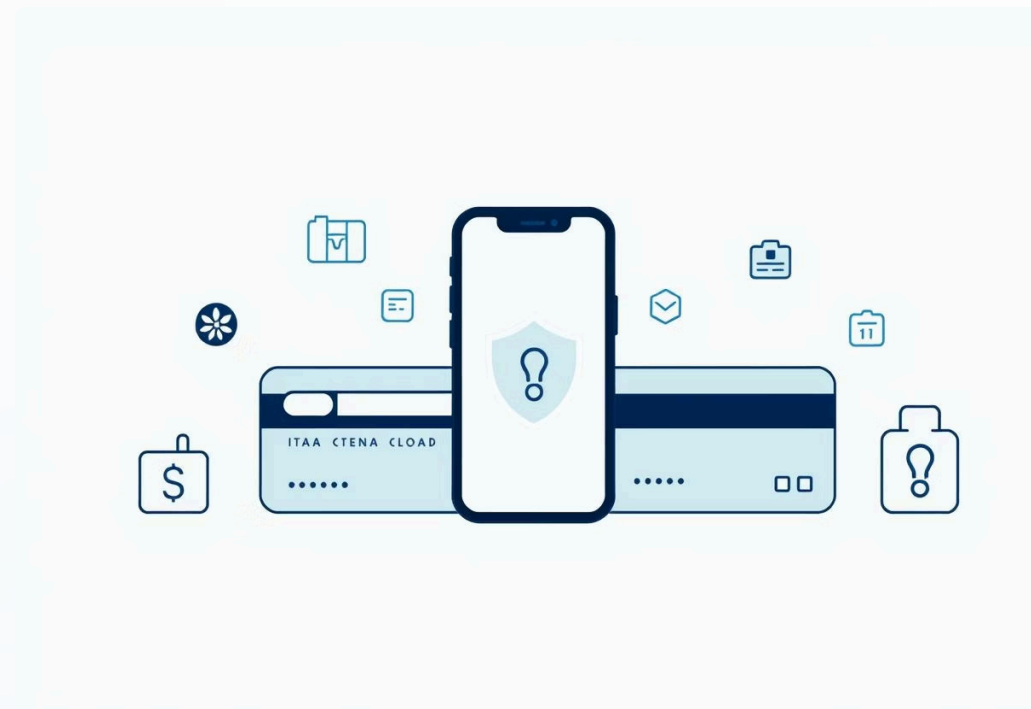
Cashless payment documents are evidences proving that the payment was made without using cash, in compliance with the provisions of Decree No. 52/2024/ND-CP dated May 15, 2024 of the Government on cashless payment.

Following the Decree No. 52/2024/ND-CP, cashless payment instruments include:

- **Checks, payment orders, collection orders.**
- **Bank cards (debit cards, credit cards and prepaid cards).**
- **E-wallets.**
- **Other payment instruments as specified by the State Bank.**

Cashless payment transaction means the use of payment services by organizations and individuals to make payment or money transfer.

(Note: In accordance with Articles 26, Decree No. 181/2024/ND-CP, the buyer depositing cash into the seller's account directly is not determined as careless payment).



A clear understanding of the definition and legally accepted forms of payment is crucial for enterprises and individuals to ensure compliance with the law. This not only facilitates more effective financial management but also fosters the growth of the digital economy.

Required documents for cashless payments to qualified for VAT deduction

<p>General cases</p> <p><i>(Purchased goods, services with a value from VND 5 million or more)</i></p> <p>A cashless payment voucher is required in accordance with the provisions of Decree No. 52/2024/ND-CP dated May 15, 2024 of the Government on cashless payment.</p> <p><i>Note: the buyer depositing cash into the seller's account directly is not determined as careless payment.</i></p>	<p>Clearing payment</p> <p><i>(Clearing between the value of purchased goods and services and the value of sold goods and services, or goods borrowed or lent)</i></p> <ul style="list-style-type: none">• Contracts stipulates the method of clearing payment• A written record of comparison of figures certified by the two parties of such clearing• Tripartite clearing minutes in cases of clearing payment with a third party	<p>Debt clearing (<i>money borrowing, lending</i>)</p> <p><i>(Debt clearing such as money borrowing and lending or debt clearing through a third party)</i></p> <ul style="list-style-type: none">• A borrowing and lending contract established in writing earlier;• A document on money transfer from the lender's account to the borrower's, for a money loan. <p>Including also the case of clearing the value of purchased goods and services against the amount the seller supports the buyer or asks the buyer to make payment on its behalf.</p>
<p>Payment by an authorized third party</p> <p><i>(Cashless payment by the third authorized or designated parties)</i></p> <ul style="list-style-type: none">• A written contract with authorized or designated method <p>The third party must be a legal person or entity currently operating in accordance with law.</p>	<p>Goods, services on deferred payment (\geq VND 5 million)</p> <ul style="list-style-type: none">• A written contract of purchased goods, services• VAT invoices• Cashless payment documents. <p>If no payment document is available since the payment is not yet due, input VAT is still deductible. However, if by the due date the payment document is not obtained, the deductible input VAT must be declared and adjusted for reduction.</p>	<p>Payment to the third party's account at the State Treasury</p> <p>Input VAT shall be deductible in proportion to the amount transferred into that account.</p> <ul style="list-style-type: none">• Competent state agencies' decisions.• Transferring documents into account at the State Treasury.
<p>Payment by shares and bonds</p> <ul style="list-style-type: none">• A contract established in writing earlier, which clearly specifies this method of payment.	<p>The remaining value after clearing or authorized payment \geq VND 5 million</p> <p>Input VAT is deductible only when there are cashless payment documents.</p>	<p>Importation of goods as gifts, donations, or samples free of charge.</p> <p>No need for cashless payment document.</p>
<p>Authorization for workers to carry out the payment</p> <ul style="list-style-type: none">• According to the provisions of the financial/internal policies• Documents evidencing that workers made a cashless payment to the seller (e.g., bank transfer slip)• Cashless payment documents issued to the employee.	<p>Purchased goods or service from a tax payer several times on a day with a total value of VND 5 million or higher</p> <p>VAT may be credited only for cashless payment documents.</p>	

Specific cases of export are not required to have cashless payment documents



Clearing against foreign loans

Loan contract (or loan registration certificate of the State Bank of Vietnam), document on via-bank money transfer into Vietnam by the foreign party, clearing against foreign loans must be stated in the export contract, the foreign party's written certification of the loan clearing, and documents of via-bank payment for difference (if any).



Uses payments as capital contribution to an overseas importer

Capital contribution contract, use of payments for capital contribution is stated in the export contract, and documents of via-bank payment for difference (if any).



Foreign party authorizes a third party that is a foreign-based organization or individual to make payment

The authorized payment is stated in the export contract (or a contract annex or contract modification note, if any).



The foreign party requests a third party being a Vietnam-based organization to clear liabilities

Such via-bank payment request is stated in the export contract (or a contract annex or contract modification note), the credit note of the exporter's bank from the third party's account, the written record of comparison of liabilities certified by the foreign party and the third party.



The foreign party authorizes a third foreign party, the third party requests the fourth party in Vietnam to clear liabilities

The export contract (or a contract annex or contract modification note, if any) provides the authorized payment and clearing, the bank's credit note of the amount received from the fourth party's account, and note of comparison of liabilities certified by involved parties.



The foreign party authorizes its Vietnam-based representative office to make payment

Authorized payment is provided in the export contract (or a contract annex or contract modification note, if any).



The foreign party makes payment from its current deposit account in Vietnam

Payment is stated in the export contract (or a contract annex or contract modification note, if any) and credit note of the exporter's bank.



Foreign purchaser being a private enterprise makes payment through private enterprise owner's current account

Payment is stated in the export contract (or a contract annex or contract modification note). If refund is paid through the current account, declaration at the border gate is required.



Difference in payment on documents

The reason shall be clearly stated. For example: If it is due to a discount, a written discount agreement is required, If there is lump-sum or advance payment, an explanation must be provided. The business shall undertake to take responsibility before law for the reasons.



The name of the bank of payment stated in the contract and documents do not match

Approval if the payment document indicates the names of the payer and payee, the export contract serial number and the payment value matching the contract.



Clearing payment between parties (export to the second party , purchase from the third party, the second party pay for the third party)

The clearing of liabilities between the parties must be stated in the export, import or purchase contract (or contract annex or modification note, if any) and the note of comparison of liabilities certified by the involved parties.



Goods exported are rejected by the foreign purchaser and sold for anEntire export dossier related to the original export contract, written explanation about the discrepancy in the purchaser name (commitment without any frauds), and entire export dossier related to the new export contract.



Labor export collects payments directly from the workers

Need for receipts paid by wokers.



Export for repaying the Government's foreign debts

Need for the foreign trade bank's certification about exported goods for debt clearing or the document for debt clearing.



Payment by goods

The mode of payment is stated in the export contract, the foreign party's goods or service purchase contract, The customs declaration of imported goods for clearing payment, the foreign party's written certification of the clearing payment, and via-bank payment documents for difference (if any).



Insolvency of the foreign party

Need for a written explanation and use one of substitutes: The customs declaration of imports from Vietnam registered in imported country, or a lawsuit petition filed with a court or competent authority with such authority's notice, or a foreign court's ruling on the winning of the lawsuit, or foreign competent authority's written certification of the purchaser's bankruptcy or insolvency.



Inferior-quality exports subject to destruction

Need for a written explanation, the record of destruction (or a written certification of destruction) in overseas, and the document of via-bank payment for destruction expenses (if it is the charge of exporter) or a paper proving the purchaser's or third party's responsibility.



Lost of goods export

Need for a written explanation and one of the substitutes: Written certification of the loss outside Vietnam, written record of the loss of goods during transportation with the clear cause, the via-bank payment document of the received indemnities for exports lost

AUD VIETNAM AUDITING AND CONSULTING COMPANY LIMITED



129 Xo Viet Nghe Tinh Str., (+84) 0236 36 333 99
Cam Le Ward,
Da Nang City



Email: aud@aud.vn



Website: aud.vn

The information in this newsletter is provided for general informational purposes only and does not constitute legal, tax, or financial advice. Although AUD Vietnam has made every effort to ensure the accuracy and timeliness of the content at the time of publication, AUD Vietnam accepts no responsibility for any errors or omissions, or for any consequences arising from the use of this information. Readers are advised to consult with professional advisors or the relevant tax authorities before applying any of the information in practice.