

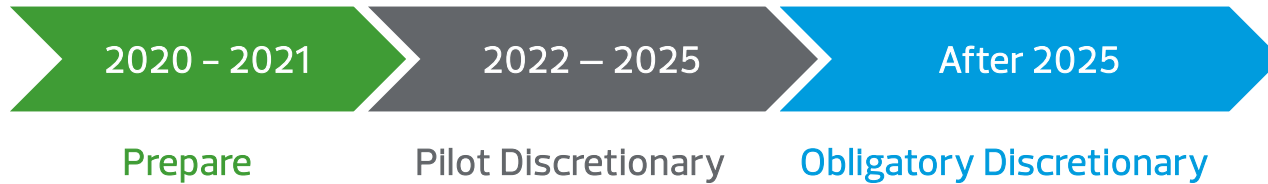


IFRS NEWS

“OBSTACLES” WHEN APPLYING IFRS IN VIETNAM

The application of IFRS will mark a great transformation of Vietnamese accounting, promoting Vietnamese accounting to develop closer to the development of accounting in the world. In addition to the positive effects of applying IFRS on businesses, there will be many challenges waiting for them ahead.

Roadmap to apply IFRS in Vietnam



Consolidate financial statement

Separate financial statement

Obligatory	Discretionary	Enterprise have the need of presented financial statement and have enough resource can apply IFRSs or Ministry of Finance select to apply IFRSs
Parent companies of state economic group	Other parent companies spontaneously apply IFRSs for consolidate financial statement	
Listed enterprise		
Public macro-companies are parent companies but are not listed		

Challenges in applying IFRS



Qualification

- IFRS is complex and requires a high level of professional and technical skills to be able to apply



Accounting software

- Initial cost such as invest in software; rebuild the system to collect, process and present financial information is a matter of concern for companies in the transition to IFRS



Application fair value principle in accounting

- Currently, there is no official guideline document to determine, presenting and accounting fair value
- Lack of appropriate financial information to assess and calculate of fair value and impairment of assets



Relevant guidance

- Guidance on accounting, tax, custom and valuation are not compatible with IFRS, leading to difficulties to implement IFRS

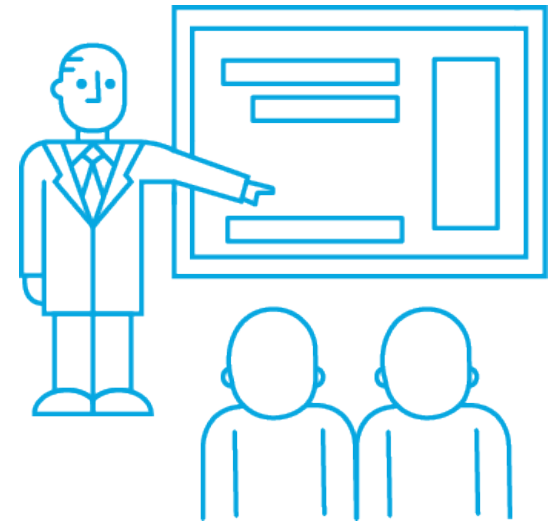
Things to prepare when applying IFRS

For company:

- Planning strategy and budget
- Human resource training (accountant, head of financial)
- Organize the accounting system and develop regulations to coordination between departments
- Prepare information technology system; data infrastructure

For personnel:

- Actively learning, self-equipped with knowledge to meet the 'movement and change' of IFRS during the application process
- Understand the difference between Vietnamese Accounting Standards (VAS) and International Accounting Standards (IFRS)
- Get support from associations such as VACPA, ACCA or professional service firms to get experts to train and advise on difficult challenges arising in the process of applying IFRS to enterprise



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