



# IFRS NEWS

HOW TO BUILD ACCOUNTING SYSTEM AND  
ACCOUNTING POLICY TO APPLY IFRS SUCCESSFULLY?

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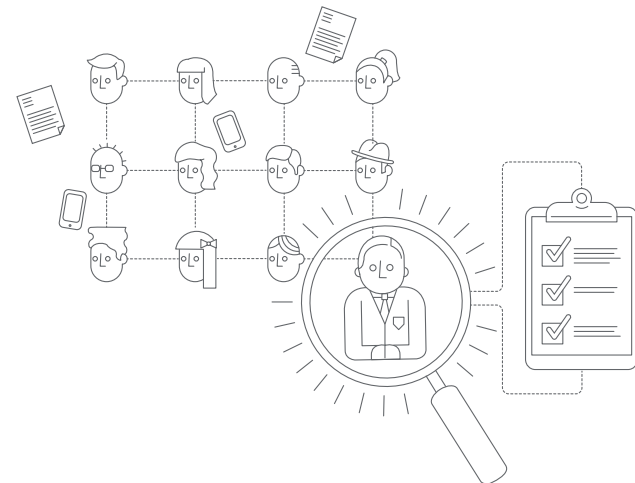
# Setting up an accounting system

## Setting up accounting system

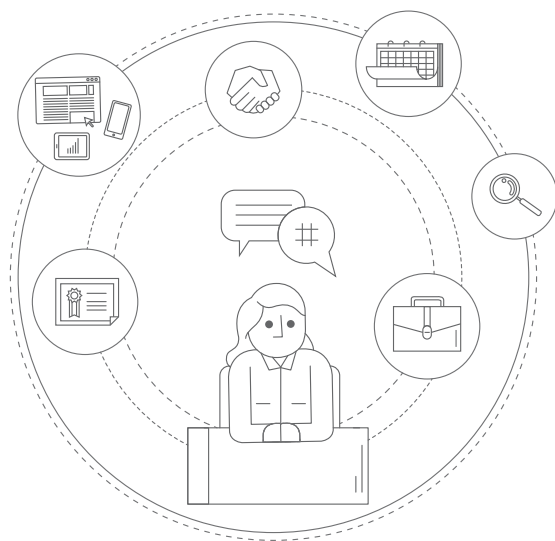
- Companies can utilize accounting software that allows them to apply several accounting standards simultaneously. Currently, some modern ERP system can assist companies in complying with more than one accounting standard (VAS and IFRS) when booking transactions in accounting system
- Selecting which accounting standard is treated as primary and secondary standard will not impair compliance with the chosen accounting standards. This is the way of setting up the accounting system to create more convenience for users
- One of the key factors to decide which accounting standard will be used as primary standard depends on the frequency of using reports prepared under that standard

## Setting up accounts system

- The accounts system needs to be rebuilt to comply with both VAS and IFRS standards and also meet the administrative requirements of many departments in the Company, such as sales department, division, manufacturing
- The account system needs to be completed at the same time as the unification of processes to serve the process of system configuration
- During system configuration, convert the opening balance from VAS to IFRS



# Building accounting policies & time to apply



## When and What?

- The decision on when to start applying IFRS should be made based on the desired transformation process of the Company and the general transformation process specified in Decision 345/2020/QD-BTC
- IFRS standards are based on principles, so it provides an opportunity for Companies to choose the most appropriate accounting policy, for example, a depreciation policy or a revenue recognition policy
- Companies should perform a detailed assessment of the differences between accounting policies under IFRS and VAS to be able to make an appropriate selection. Besides, the reference to accounting policies in accordance with IFRS applied at other Companies in the same industry will also provide useful information for the selection

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