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**Intergovernmental Working Group of Experts on  
International  
Standards of Accounting and Reporting  
(ISAR)**

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**Follow-up on the Accounting Development Tool (ADT)**

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# Enhancing Vietnam's capacity for producing high-quality corporate reports

## **Revised Accounting Law**

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**Revised accounting law  
will be approved by the Parliament in 2015  
with the following supplementations**

- **Investigation, discipline and appeals: Investigations related to the work that professionals have done in relation to corporate reporting; Separate disciplinary committee; Information publicly of misconduct; Appeals process...**
- **Public sector: Vietnam Public Sector Accounting Standards will be set up in line with IPSAS;**
- **Sustainability Development Reports;**

# Vietnam Financial Reporting Standards

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## Current Situation

- **VAS/VFRS have been set up in line with IAS/IFRS since 2005;**
- **All the companies in Vietnam apply VAS/VFRS;**
- **Main difference between VFRS and IFRS: Cost and fair value approach;**
- **Strategy for full IFRS adoption is being built**

# Vietnam Financial Reporting Standards

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## Strategy for full IFRS adoption

- **Full IFRS shall be permitted as part of the national regulatory system from 2017 for:**
  - Public – Interest Entities (include Listed companies; Banking sector and Insurance sector);
  - State Owned Enterprises (SOE);
  - Foreign registrants;
  - Private companies.
  
- **After 2020, Full IFRS shall be required as part of the national regulatory system for:**
  - Public – Interest Entities (include Listed companies; Banking sector and Insurance sector); SOE;
  - Other companies (non Public – Interest Entities) shall be encouraged but not required.

# Vietnam Financial Reporting Standards

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**Interpretations have been developed and shall be applied effectively in 2015**

- **Customer loyalty program;**
- **Cash Flows Hedge and Hedges of a net investment in a foreign operation;**
- **Distributions of non-cash assets to owners;**
- **Business combination under Common control (Consolidation for Group Restructuring);**
- **Presentation of Financial Statements for Non-Going Concern Entities.**

# Vietnam Auditing Legal Framework

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## Revising and supplementing of Auditing Legal Framework

- Independent Audit Law (2011);
- Government Decree for implementing the Independent Audit Law (2012);
- Government Decree for Violation Sanction of independent Audit (2013);
- MOF's Circular for Licensing Registration, Administration and Certification for auditor (Renewed 2012);
- MOF's Circular for annual CPD (Renewed 2012);
- MOF's Circular for Financial Statement auditing of public - interest Entities (Renewed 2013);

# Vietnam Auditing Legal Framework

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## National Standard on Auditing

**Vietnam Standards on Auditing (VSA) are in line with ISA, 37 VSA have been issued in 2012; Other Standards will be issued in this year such as:**

- Modifications to the opinion in the independent auditor's report;
- Emphasis of matter paragraphs and in the independent auditor's report;
- Special considerations — audits of single financial statements and specific elements, accounts or items of a financial statement;
- Engagements to report on summary financial statements;
- Assurance engagements other than audits or reviews of historical financial information;
- Examination of prospective financial information;
- Assurance reports on controls at a service organization.



# Sustainability Development

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## The following sustainability issues are being built in Vietnam

- **Legalization for a standardized format for calculating and reporting climate change emissions;**
- **Setting up a guidance on preparation of sustainability reporting, include aspects: Economic and Environmental impacts, Labor practices, Human rights and Corruption avoidance;**
- **Stipulation for Company's duty in preparing sustainability reports**



***Thank you for your attention***