

IFRS APPLICATION AROUND THE WORLD

JURISDICTIONAL PROFILE: **Vietnam**



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This Profile has been prepared by the IFRS Foundation based on information from various sources. The starting point was the answers provided by standard-setting and other relevant bodies in response to surveys that the Foundation conducted on the application of IFRS Standards around the world. The Foundation drafted the profile and invited the respondents to the survey and others (including regulators and international audit firms) to review the drafts, and their comments are reflected.

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RELEVANT JURISDICTIONAL AUTHORITY

Organisation	Ministry of Finance (Bộ Tài Chính)
Role of the organisation	<p>Pursuant to Government Decree No 215/2013/NĐ-CP, the Ministry of Finance is responsible for setting accounting standards for business entities in Vietnam.</p> <p>The Accounting Law enacted in 2003 establishes the legal framework for Vietnamese Accounting Standards for public and private sectors.</p> <p>English translation of Accounting Law on Vietnam government website: http://chinhphu.vn/portal/page/portal/English/legaldocuments/Policies?categoryId=886&articleId=10001391</p>
Website	http://www.mof.gov.vn/portal/page/portal/mof_en/Introduction
Email contact	support@mof.gov.vn

COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	No.
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Has the jurisdiction made a public commitment towards IFRS Standards as that single set of high quality global accounting standards?	No.
What is the jurisdiction's status of adoption?	Vietnam has not adopted IFRS Standards or the IFRS for SMEs Standard.
Additional comments provided on the adoption status?	Accounting standards are issued by the Ministry of Finance of Vietnam and are known as Vietnamese Accounting Standards (VAS). The Department of Accounting and Auditing Policy of the Ministry of Finance has formed the Vietnamese Accounting Standards Board (VASB) to develop and approve the standards. To date the Ministry of Finance has issued 26 VAS (these were issued from 2001 to 2005), plus additional mandatory implementation guidance known as 'circulars'. Some Vietnamese companies prepare financial statements using IFRS Standards for the purpose of reporting to foreign investors. However, those IFRS financial statements are supplementary financial statements published in addition to – not instead of – financial statements prepared using Vietnamese Accounting Standards (VAS). The VAS financial statements are the statutory and primary financial statements.
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Standards in the jurisdiction.	The Ministry of Finance takes IFRS Standards into account in developing VAS. The Accounting Law states: 'The Ministry of Finance shall prescribe accounting standards on the basis of international accounting standards and the provisions of this Law.'

EXTENT OF IFRS APPLICATION

For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Standards in their consolidated financial statements?	No.
If YES, are IFRS Standards REQUIRED or PERMITTED?	Not applicable.
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	Not applicable.
Are IFRS Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	No.
For instance, are IFRS Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?	No.

For instance, are IFRS Standards required or permitted for companies whose securities do not trade in a public market?

No.

If the jurisdiction currently does NOT require or permit the use of IFRS Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Standards for such companies in the future?

No.

For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Standards in their consolidated financial statements?

No.

If YES, are IFRS Standards REQUIRED or PERMITTED in such cases?

Not applicable.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

Not applicable.

IFRS ENDORSEMENT

Which IFRS Standards are required or permitted for domestic companies?

Not applicable.

The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:

Vietnamese Accounting Standards (VAS).

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Standards and the jurisdiction's GAAP)?

No.

Are IFRS Standards incorporated into law or regulations?

No.

If yes, how does that process work?

Not applicable.

If no, how do IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Standards (including Interpretations) in place?

No.

If yes, what is the process?

Not applicable.

If no, how do new or amended IFRS Standards become a requirement in the jurisdiction?

Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Standards and/or made any modifications to any IFRS Standards?	Not applicable.
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If yes, what are the changes?	Not applicable.
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Other comments regarding the use of IFRS Standards in the jurisdiction?	None.
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TRANSLATION OF IFRS STANDARDS

Are IFRS Standards translated into the local language?	No. IFRS Standards have not been translated into Vietnamese.
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If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Standards?	Not applicable.
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APPLICATION OF THE IFRS FOR SMEs STANDARD

Has the jurisdiction adopted the IFRS for SMEs Standard for at least some SMEs?	No.
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If no, is the adoption of the IFRS for SMEs Standard under consideration?	No.
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Did the jurisdiction make any modifications to the IFRS for SMEs Standard?	Not applicable.
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If the jurisdiction has made any modifications, what are those modifications?	Not applicable.
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Which SMEs use the IFRS for SMEs Standard in the jurisdiction, and are they required or permitted to do so?	Not applicable.
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For those SMEs that are not required to use the IFRS for SMEs Standard, what other accounting framework do they use?	SMEs in Vietnam use an accounting regime for SMEs developed by the Ministry of Finance. These SME standards are simplified compared to Vietnamese Accounting Standards.
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Other comments regarding use of the IFRS for SMEs Standard?	None.
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