INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) ADOPTION IN VIETNAM: IF, WHEN AND HOW?

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Abstract

The paper examines the perceptions of Vietnamese accounting practitioners and academics regarding the optimal approach and timeline of IFRS adoption in Vietnam. Perceptions were obtained and analysed from 3,000 questionnaires sent to Vietnamese auditors, accountants, and accounting academics across Vietnam in 2012. A total of 728 usable responses were received producing an effective response rate of 24 per cent. The majority of the respondents considered that IFRS adoption should be permitted for voluntary adoption rather than mandatory adoption. The results indicate that the staggered convergence approach is more optimal than the big bang approach of IFRS adoption. A five year period for transition and preparation with some difficulties and obstacles associated with IFRS implementation is anticipated. The findings will assist accounting practitioners, educators, and policy makers to prepare themselves for the implications of IFRS convergence and adoption.

Keywords: IFRS, Vietnam, Perceptions, Accountants, Auditors, Academics, Mandatory, Voluntary, Adoption, Approach, Timeline

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1. Introduction

To date, over 100 countries have permitted or required IFRS reporting (IFRS 2014). Some countries fully adopted IFRS as their national accounting jurisdictions, some required or permitted IFRS only for banks, regulated financial institutions, and listed companies. Others required IFRS in the absence of a national standard dealing with particular issues. The vision of a single set of high quality global accounting standards has been publicly supported by many organisations including the World Bank, the International Monetary Fund, the International Organizations of Securities Commissions (IOSCO), and the International Federation of Accountants (IFAC). Thus, IFRS adoption is increasing within developing and emerging economies. In Vietnam, although IFRS are not mandatorily required; the standards are voluntarily complied by Vietnamese businesses at forms of dual reporting or providing additional disclosures. For example, some Vietnamese publicly listed entities are producing two separate sets of financial statements (one complied with the mandatory Vietnamese accounting standards and the other complied with IFRS provisions) with the intention to cross-list in the overseas stock exchanges. Most subsidiaries of multinational companies in Vietnam are dual reporting for consolidation purposes by their parent companies. State Bank of Vietnam and other Vietnamese commercial financial institutions also comply with IFRS reporting provisions. Little is known about the motives of Vietnamese businesses who voluntarily comply with IFRS. This papers attempt to bridge this research gap by addressing three research questions of **"If / How / When will IFRS adoption occur in Vietnam?"** The survey provides perception-based evidence regarding the optimal approach and timeline of IFRS adoption from Vietnamese public auditors, corporate accountants and accounting academics. The findings will aid the accounting practitioners, educators, and policy makers to prepare for the implications of this critical accounting phenomenon.

The current paper is structured as follows. Section 2 reviews the literature on the effects both mandatory and voluntary IFRS adoption categories. Section 3 outlines the research methodology. This is followed by the discussion of the survey findings in Section 4 and suggestions for Vietnamese standard setters from the respondents in Section 5. The paper concludes with a summary of the outcomes together with the limitation and recommendation for future research in Section 6.

2. Literature review

Empirical studies on the effects of IFRS reporting fall into two categories, depending on whether they analyse voluntary or mandatory adoptions. The sub-sections below review the extant literature in both categories.

Studies of voluntary IFRS adoption

Recent trends in international accounting research seem to indicate that researchers focused on voluntary adoption of IFRS within the European Union (EU) before 2005 (only 25 members of the EU in 2005). In the stream of IFRS adoption to the EU members, Daske *et al.* (2009) classified firms that voluntarily applied IFRS into "serious" and "label" adopters. The distinction was based on actual reporting behavior between firms. It turned out that some adopters seriously modified their financial reporting strategy after adoption (serious adopter); whereas others used the flexibility of IFRS to keep on using their usual financial reporting strategy under the new international label (label adopter). Daske *et al.* (2009) found that markets responded differently around IFRS adoptions, specifically, positive effects of adoption were more pronounced for serious adopters than label adopters. When the two groups of adopters were pooled together, the average effects of adoption become modest. Barth, Landsman and Lang (2008) investigated the effects of voluntary adoption of IFRS on various measures of accounting quality. They found that adoption significantly improved accounting quality by reducing earnings management and enhanced both the value relevance of accounting numbers and the timeliness of loss recognition. In spite of this, they also suggested that the results could be partly attributed to changes in firms' incentives, as well as the varying economic environments of the sample firms.

Empirical studies on the economic consequences of voluntary IFRS adoptions generally analysed direct capital market effects, such as liquidity or cost of capital, or the effects on various market participants, such as the impact on analyst forecast properties or on the holdings of institutional investors. Leuz and Verrecchia (2000) examined German firms that adopt IFRS or US GAAP and found that those firms exhibit lower bid-ask spreads and higher turnover compared with German GAAP firms. Using implied cost of capital estimates, Cuijpers and Buijink (2005) did not find significant differences across local GAAP and IFRS firms in the European Union (EU). Daske and Gebhardt (2006) examined voluntary IFRS adoption by German firms and finds that they exhibit a higher cost of equity capital than local GAAP firms do. Karamanou and Nishiotis (2009) showed positive short window abnormal returns around the announcement of IFRS adoption. Daske *et al.* (2009) analysed liquidity and cost of capital effects around voluntary IFRS adoptions. They showed that only firms with concurrent changes in their reporting incentives or reporting practices experience liquidity and cost of capital benefits to highlight the endogeneity of IFRS adoptions.

There are also studies on the reaction of market participants to voluntary IFRS adoptions. For instance, Cuijpers and Buijink (2005) found an increase in analysts following around IFRS adoption. Similar, Ashbaugh and Pincus (2001) showed that analyst forecast errors are positively related to differences in accounting standards between IFRS and various local GAAP, and that the accuracy of these forecasts improved after firms adopt IFRS. In the same line, Covrig, Defond and Hung (2007) documented that foreign mutual fund ownership was significantly higher for IFRS adopters compared to national GAAP firms and that the difference in mutual fund holdings increased for firms in poor-information environments and with low visibility. These results suggested that IFRS reporting helped firms attract foreign investment.

The evidence on voluntary IFRS adoptions is somewhat mixed, but on balance suggests that voluntary adopters experience positive capital market effects. However, these results need to be interpreted carefully due to limitations of self-selection. Since it is the firm's choice when to adopt IFRS, it is difficult to attribute any observed economic consequences to the accounting standards itself. It is possible, if not likely, that the effects are attributable, at least in part, to the factors that gave rise to the IFRS adoption decision in the first place. As a result, the evidence of the potential costs and benefits of IFRS for firms with particular characteristics could not provide a rationale for a switch to IFRS or adopting IFRS as mandated standards.

Studies of mandatory IFRS adoption

The objectives of mandatory IFRS adoption are to reduce the cost of capital and open new opportunities for diversification and improved investment returns (Tweedie 2007). For example, Li (2010) reported a lower cost of capital immediately in the first year of IFRS adoption as mandated standards. However, the cost saving effect occurs only in nations with strong enforcement mechanisms (Karamanou & Nishiotis 2009). A key issue with this argument is the strong legal environment can only be applicable to the well-established capital market (Shi & Kim 2007). There is inconsistency with this argument given that the aim of IFRS is to be a single global set of reporting standards. The standards could not be globally accepted if it is not adopted by major economies such as the United States, Brazil and Japan (Hail, Leuz & Wysocki 2010a, b)

Similarly, when considering voluntary IFRS adoption, most researchers focus on the European Union (EU) members to examine the effects of mandatory IFRS as there has been recent momentum in the EU. The EU has mandated that all EU-listed companies adopt IFRS beginning in 2005. Many studies examined the market consequences of IFRS mandatory adoption on security market analysis (Christensen, Lee & Walker 2007; Hail & Leuz 2007). The capital market analysts are expected to be key users of financial statements and benefit most if reporting under IFRS increases the quality, credibility and transparency of financial figures (Tarca 2012).

A large and growing body of literature has investigated the impact of IFRS mandatory adoption on the cost of equity. Empirical researches provided mixed evidence. On the one hand, the researchers argued that IFRS mandatory adoption results in a significant lower cost of equity capital (Daske *et al.* 2008; Li 2010). On the other hand, Lee, Walker and Christensen (2008) found limited and mixed evidence of a cost of equity capital reduction from the pre- to post-IFRS periods in the European countries. Impact of IFRS voluntary adoption on cost of equity was also mixed (Leuz & Verrecchia 2000; Barth, Landsman & Lang 2008; Karamanou & Nishiotis 2009). An implication of these mixed results is the possibility that firms have considerable discretion in how they adopt IFRS. Economic consequences such as lower cost of capital depend on the extent to which IFRS adoptions represent a "serious" or "label" commitment to transparency reporting according to IFRS (Daske et al. 2013).

At present, there is no direct evidence for the explanation that concurrent changes in the institutional environment are responsible for observed capital market outcomes. However, Christensen, Hail and Leuz (2013) showed that capital market effects around the introduction of mandatory IFRS reporting are not evenly distributed across countries. There are several possible explanations for this result. First, in countries with weak legal enforcement and manager's reporting incentives, market liquidity and firm value remain largely unchanged around the IFRS mandate (Hail & Leuz 2006). Second, the effects around mandatory adoption are most pronounced for countries that exhibit large local GAAP/IFRS differences and have strong legal enforcement or strong manager's reporting incentives (Daske et al. 2009). The two arguments suggest that the strength of countries' enforcement regimes and firms' reporting incentives play a major role for the documented capital market effects (Christensen, Hail & Leuz 2013). Viewed more broadly, these arguments are also in line with the notion of complementarities, in that the effects of IFRS adoption seem to depend on *other elements* in countries' institutional infrastructure. Consistent with this notion, a recent study by Lee, Walker and Christensen (2008) suggested that the *other elements* include outsider rights, the importance of the equity market, ownership concentration, disclosure quality and earnings management.

Prior research has suggested that financial reporting practices did not necessarily change after mandatory adoption; firms could adopt the "label" of IFRS and then used its flexibility to retain existing accounting policies. Consequently, uniformity of accounting treatments was not an automatic outcome of the mandatory adoption of IFRS. Further, empirical evidence suggested that accounting quality not necessarily improves after IFRS mandatory adoption.

3. Methodology

A mailing questionnaire survey was conducted across Vietnam in 2012. The sample included 3,000 Vietnamese accounting professionals who were knowledgeable or well acquainted with accounting standards. The sample were categorised in three different groups (1,000 participants for each group). The first group, auditors, was selected because they apply accounting standards extensively to provide the assurance and consulting services to their clients. The second group, accountants, was selected because they are the heads of the accounting departments, being responsible to review or prepare the financial statements of the firms or companies they work for. The accounting academics were selected as the last group of survey participants because they are knowledgeable and well aware of the importance and significance of the study. The questionnaire was validated through pilot study before the commencement of the main research survey. The questionnaire included both close-ended and open-ended format questions. A total of 728 usable responses were analysed producing an effective response rate of 24 per cent.

4. Findings

As shown in Table 1, the majority of the respondents viewed that IFRS adoption should be either permitted for voluntary adoption for all entities (63 per cent), or restricted to a certain capital ownership such as foreign invested entities (62 per cent), publicly listed entities (60 per cent), banks and financial institutions (52 per cent). The descriptive results are further supported by the written comments from the survey respondents. Most of the respondents expressed their view that the businesses should be allowed for IFRS voluntary adoption without intervention from the government. For example, "Let business choose and use either VAS or IFRS, government does not interfere" (R90 2012). "Should let it be voluntary, do not force mandatory, at least for another 10 years" (R313 2012). The respondents also expressed their concern that VAS cannot align with IFRS when the

IASB announces new standards or makes revisions in the existing standards. "Ministry of Finance should update or make companies free to update IFRS when it has been changed automatically" (R46 2012). Amongst the three groups of accountants, the academic group showed stronger support for voluntary IFRS adoption than the auditors and the corporate accountants.

Table 1. Perceived optimal adoption approach

Ranked order	Approach of adoption	Percentage (%) of respondents "agreeing"			
		Auditor	**Accountant**	**Academic**	**Weighted Average**
	Voluntary adoption (VO)				
1	VO-All entities	60%	64%	64%	63%
2	VO-Foreign invested entities	61%	59%	69%	62%
3	VO-Publicly listed entities	56%	58%	70%	60%
4	VO-Financial institutions	43%	55%	58%	52%
	Mandatory adoption (MA)				
1	MA-Foreign invested entities	34%	51%	51%	46%
2	MA –Publicly listed entities	39%	42%	48%	43%
3	MA-Financial institutions	42%	39%	44%	41%
4	MA-All entities	18%	19%	28%	21%
	Approach (AP)				
1	AP-Convergence	67%	64%	66%	65%
2	AP-Adaption with adjustment	61%	56%	71%	61%
3	AP-Full adoption	24%	36%	29%	31%
4	AP-Not allow	5%	6%	1%	5%
5	AP-No change	7%	3%	5%	4%

In contrast, mandatory IFRS adoption was not supported by the majority of respondents. Less than half of the respondents perceived that IFRS adoption should be mandated for foreign invested entities (46 per cent), publicly listed entities (43 per cent), banks and financial institutions (41 per cent). About one-fifth of the respondents (21 per cent) viewed that IFRS adoption should replace VAS as mandated standards for all reporting entities. Most of the endorsements for mandatory IFRS adoption were from the respondents working for the foreign-invested or publicly listed companies, and the most prevalent amongst these were from these respondents who worked for corporations that were currently compliant with IFRS.

With regards to the adoption approach, about two-thirds of the respondents expressed greater accord on the staggered approach (convergence or adaption) than the "big-bang" approach (full adoption). Respondents perceived the staged convergence approach, that is, introducing IFRS standard-by-standard and eventually having a Vietnamese accounting system comparable to IFRS, as optimal (65 per cent). The adaptation approach, which is selective adoption several IFRS, amend and adjust the standards to suit the Vietnamese context, was also viewed as a viable adoption approach by close to two-thirds of the respondents (61 per cent).One-third of the respondents perceived the full IFRS adoption as the best approach. Time constraints and cost considerations were viewed as key reasons for not fully adopting IFRS, especially in the short term. Typical comments from the supporters of IFRS full adoption are "VASC should consider full[y] adopting IAS/IFRS. It is already made and internationally recognised (R330 2012)"; or "fully adopting IFRS to save costs of researching and conflict resolution as ultimately VAS will be in line with IFRS. This is also consistent with the region and most of countries in the world (R370 2012)". Several respondents coming from state-owned or private enterprises also favoured a full adoption approach. For example, the Manager of state-owned enterprises commented, "Should apply all IFRS instead of issuing VAS" (R62 2012).

Other respondents commented more specifically to the adoption approach.

"So if we want to adopt IFRS and amend VAS, we should train the professional people who can understand IFRS clearly and have ability to teach what they understand to others. Hence, it will be better when we adopt IFRS and not misunderstand what the standards say" (R27 2012).

"When changing VAS to IFRS, [the policy maker] should consider the larger scale where government officials use the financial reports for their own evaluations such as taxation or qualifying for special treatment from government" (R724 2012).

"[IFRS] should [be] mandatory for large or multinational companies. The business needs transition time and should be voluntary only for small and medium sized companies. In practice, [IFRS reporting] is too expensive and time consuming, thus it is not necessary [for SME]" (R716 2012).

The respondents expressed the important role of the Vietnamese regulator in the adoption process. Typically many comments reflected the notion that "the Committee should be more pro-active in this process" (R30 2012) or "they should independently act without any influence by Vietnam Government" (R90 2012). It was recommended by one academic that:

"The active role of Vietnamese accounting setters should take into consideration the possibility of adopting IFRS. Further, the role of the development of the Vietnamese stock market should take into account the possibility of adopting IFRS" (R730 2012).

Several respondents rejected the full adoption of IFRS and identified major problems that will occur from such an approach. The respondents raised the often-argued case about IFRS not being suitable for the cultural and socioeconomics environment of a former communist country such as Vietnam. Typical comments were as follows:

"VAS is somehow similar to rule-based while IAS closer to principle-based" (R27 2012).

"Vietnam does not accept the capitalist economy and the government still wants to control business operations" (R90 2012).

"From the state management level, some [standards] are not appropriate to the business environment of Vietnam" (R263 2012).

"[Unsuitable] environmental factors for IFRS implementation" (R459 2012).

Other respondents suggested that IFRS should be required for certain types of business ownership only. For example, one auditor respondent expressed that IFRS "should be applicable to some [businesses] only as it is costly" (R94 2012). It was further explained by a finance executive of a foreign invested company:

"Currently, the majority of the foreign invested companies apply IFRS in their audited financial statements. Therefore, IFRS implementation will directly impact on the state-owned and private-owned enterprises. In my opinion, conversion to IFRS requires a lot of time. Fully IFRS conversion is impossible unless the transparency of financial statements are popular [required]" (R741 2012).

An additional source of resistance was the concerns that Vietnam has a lack of involvement in the standard setting process. As explained by one of the respondent from the academic group:

"Vietnamese accounting standard setter has not actively involved in issuing IFRS. For example, there is no known comment letter for IFRS exposure draft that Vietnamese standard setters send to IASC" (R730 2012).

In addition, the respondents viewed that there seems to be lack of support for IFRS from the standard setters and other regulatory authorities. The received comments indicate this conservatism from the accountant group "Ministry of Finance does not support" (R388 2012) and also from the auditor group "Will the state authorities and the accounting professional bodies recognise IFRS or VAS?" (R737 2012).

Some comments were negative and expressed a lack of trust that the accounting transformation would occur. For example, reasons given for this by respondents was that "the Vietnamese accounting system can contain unclear and inexplicit terms" (R406 2012); "Current regulations are too complicated to change and the government does not want to change their power" (R718 2012); and "IFRS adoption not really come to life" (R473 2012).

The comment of one respondent as the Head of a publicly listed company was mystifying. First, the respondent wrote:

"Vietnamese Accounting Standards Board (VASB) is, of course, the central part of this adjustment. You should challenge yourself to allow for problems to occurs and mistakes to be made within your organisation….The biggest problem with IFRS is not the standard itself, it is culture and mindset of people trying to do best they can, but being afraid of 'responsibility'…This is VASB biggest challenge" (R101 2012).

Then the respondent recommended:

"Do your best. Do your best together. Look only forward. Work hard. All of them are important, but do not tackle one or two as more important than the others" (R101 2012).

Useful approaches regarding IFRS adoption processes could be derived from the comments of the respondents made as they were asked to add any relevant suggestions they might wish to make to the Vietnamese Accounting Standards Board (VASB) concerning the accounting legislation and IFRS related policies.

"VASB should take the active role in the process of issuing VAS and equally important revise the 'old' VAS. No updated VAS according to new IFRS version is an evidence of lacking the path as to the process of adopting and converging with IFRS. Further, VASB should have and announce a clear plan for IFRS adoption, adaptation, or convergence" (R730 2012).

"Current VAS rules are so outdated. The VASB needs to speed up, update the existing VAS, and issue new VAS as soon as possible, to match the trend and amendments of IFRS in the world" (R894 2012).

"Full adoption of IFRS to save the cost of researching and conflict resolving as ultimate VAS will be in line with IFRS. This is also consistent with region and most of countries in the world" (R413 2012).

"VAS should be matched with IAS and IFRS as soon as possible" (R828 2012).

"The priorities are framework for convergence, then updating the legal framework and accounting law. Establishment of the VASB should be given full power. Clear objective and strategy" (R287 2012).

"Continue to issue additional VAS to complete the current set of VAS based on IFRS. Clear plan and pathway of VASB's intention towards IFRS" (R859 2012).

"VASB should involve different groups of accounting professionals, especially auditors. These people have practical experience in both accounting and auditing fields" (R215 2012).

"VASB should encourage the participants of academia, the lecturers of universities" (R231 2012).

"They [VASB] should independently act without any influence by Vietnam Government" (R90 2012).

"Need to make clear differences between VAS and IFRS to demostrate the convergence approach is most appropriate and superior. Develop the detailed guidance for first-time IFRS application" (R262 2012).

In terms of the timing of IFRS adoption, the respondents perceived that conversion from VAS to IFRS would not be happening in the short-term (Table 2). In particular, less than 10 per cent of the respondents believed that one year is sufficient for preparation and transition towards IFRS adoption. The optimal timeline for preparation and transition is seen to be between two to five years (viewing by 57 and 62 per cent of the respondents), or over five years period (viewing by 34 and 33 per cent of the respondents).

Table 2. Perceived optimal timeline of adoption

Timeline adoption	**Percentage (%) of respondents "agreeing"**			
	Auditor	**Accountant**	**Academic**	**Weighted Average**
Timeline for preparation				
1 year	5%	15%	3%	10%
2 – 5 years	59%	57%	52%	57%
Over 5 years	35%	28%	45%	34%
Timeline for transition				
1 year	3%	8%	3%	5%
2 – 5 years	65%	64%	52%	62%
Over 5 years	33%	28%	45%	33%

To allow for a successful transition and conversion to IFRS, the survey respondents perceived that the Vietnamese regulators should conduct the following actions as priority:

- issuance of road map of with a clear timetable of IFRS conversion (R368 2012);
- step by step revision of the current VAS to inline IFRS (R369 2012);
- consistency between VAS and other accounting legislation (R390 2012);
- making IFRS translated version publicly available on a timely manner (R397 2012);
- moving VAS away from information required under a centrally planned economy (R10 2012).

Recommendation to Vietnamese standards setters

The comments, specific observations and recommendations received from the participants of the survey could be used to assist in the adoption policy by the Ministry of Finance and the Vietnamese Accounting Standards Board (VASB). In order to advance the process it is recommended the Vietnamese policymakers consider the significance of this research and the suggestions raised by the participants of the survey.

First, the respondents suggested that the goal of "VAS convergence with IFRS" project should be both functional and operational. It is suggested that the VASB continue to set out the ultimate goal of bringing VAS in line with IFRS. It is further suggested that the VASB maintain awareness of the challenges addressed in this study as well as issues faced by various adopted countries and continue to work with the profession to overcome these obstacles.

Second, based on the comments of the survey respondents, in order to ensure the highest quality of accounting regulation in Vietnam, it is suggested that the Ministry of Finance improve the governance and the consultation process. The standard setting agenda should be transparent, timely and subject to the extensive consultation with the variety of stakeholders including professional bodies, accounting firms, financial institutions, academies and companies representing each industry.

Third, greater clarification and better enforcement of accounting and auditing regulations are suggested before Vietnam can move to IFRS, a more investor oriented system of financial reporting. A support for the adoption of IFRS as mandatory standards become clear after the Ministry of Finance issued Circular 210/2009/TT-BTC. The circular allows companies to decide whether they want voluntarily complying with IFRS for financial instrument transactions.

The respondents anticipated that a completion of Vietnamese accounting standards in accordance with IFRS is a matter of time. During the transition period, the respondents suggest the Vietnamese standard setters consider the convergence process of China and other successful IFRS adopters in Asia. In particular, IFRS is required on the consolidated financial statements of publicly listed companies, permitted as management choice for the single financial reporting of listed and non-listed companies.

In terms of the development of Vietnamese capital markets, there are some concurrent issues of financial reporting of the publicly listed companies which need to be addressed. First, some listed companies occasionally publish their audited annual reports and quarterly reports late. Other listed companies do not disclose and explain the differences between pre and post-audited financial information. Some listed companies do not even comply with the disclosure requirements (Tower, Vu & Scully 2011). From the issues of reporting practices in listed companies, it is recommended that the market regulators and government authorities (in these circumstance are the State Securities Commission and the Ministry of Finance) establish mechanisms to fix the non-compliance issues. In particular, the survey respondents suggested that:

- The Ministry of Finance enhance the legal framework on accounting and auditing services. The legal framework should be in line with international practices; and
- The State Securities Commission enforces the financial disclosure regulations consistently to both listed and non-listed companies; disregarding the differences in size, and number of shareholders between companies.

Summary and conclusion

Vietnamese accountants viewed that IFRS adoption should be permitted on a voluntary basis rather than become a mandatory requirement. Eventually, when the Vietnamese businesses are more prepared and ready for transitioning from reporting under VAS to IFRS, mandatory IFRS compliance can be required for certain capital ownership structures, including foreign invested companies, publicly listed companies, banks and financial institutions. Regarding the optimal adoption approach, the respondents expressed greater agreement on the staggered approach (convergence or adaptation) than the “big bang” one (full adoption). Regarding the optimal timeline, the respondents viewed a period of 5 years as sufficient for transition and preparation. To allow for a successful and smooth transition, the respondents urged Vietnamese policymakers to announce the roadmap and pathway toward IFRS adoption.

The key implications of the current study to policies and practices are:

- For capital market participants, this study confirms a concern that the adoption of IFRS may not achieve the designed benefits because of inconsistency in the implementation and weak enforcement mechanisms of immature capital markets such as Vietnam;
- For accountancy professional bodies, the result should alert the four professional bodies in this study, including the Vietnam Association of Accountants and Auditors (VAA), the Vietnam Association of Certified Public Accountants (VACPA), the Association of Chartered Certified Accountants (ACCA) and CPA Australia about their roles and influential levels towards the development of accounting profession in Vietnam;
- For accounting experts in audit firms and universities, the result should encourage these experts to actively contribute their expertise to the journey towards IFRS compliance; and
- For Vietnamese standard setters, the results provide a signal that greater effort is required to effectively and consistently enforce accounting and disclosure standards if the convergence with international accounting practices is to bring the expected benefits to investors and other users.

From a global perspective, the findings of the paper may add to the debate of how and when developing countries adopt IFRS. The IASB has not paid sufficient attention to the different legal framework of each country, and the different company needs when implementing IFRS (Ram 2012). The story of Vietnam, as a representative of developing countries, may be useful for the IASB in the process of improving global convergence of national accounting standards and IFRS. If the IASB continues ignoring these national and organisational specific features, it may lead to the artificial compliance status of adopting countries and companies. Perhaps, the IASB should also place a strong focus on the separate group of developing countries if the IFRS is to truly achieve its aims of global convergence with IFRS.

This paper is subject to the limitation of a single survey questionnaire methodology. Given that information was collected using a single questionnaire administered at a single point of time, the population surveyed may not be representative of the general population. To complement the findings of this study, future research could also be undertaken by exploring how IFRS are perceived and used by respondent groups other than accountants, such as investors, financial brokers, institutional lenders, regulators. Again, the uses of both quantitative and qualitative methods are appropriate and will lead to a better understanding of the relevance of IFRS in emerging economies like Vietnam.

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Survey respondents:

R10 2012, 'Accountant', *Head of private owned service company*,
R27 2012, 'Accountant', *Team Leader of publicly listed service company*,
R30 2012, 'Accountant', *Head of private-owned service company*,
R46 2012, 'Academic', *Head of private-owned service institution*,
R62 2012, 'Accountant', *Manager of state-owned company*,
R90 2012, 'Accountant', *Manager of private-owned service company*,
R94 2012, 'Auditor', *Senior Auditor of private-owned domestic accounting firm*,
R101 2012, 'Accountant', *Head of publicly listed commercial company*,
R215 2012, 'Auditor', *Partner of private-owned domestic accounting firm*,
R231 2012, 'Academic', *Lecturer of private-owned university*,
R262 2012, 'Auditor', *Manager of private-owned domestic accounting firm*,
R263 2012, 'Academic', *Lecturer of state-owned university*,
R287 2012, 'Auditor', *Partner of 100% foreign-invested international accounting firm*,
R313 2012, 'Accountant', *Unknown company, unknow position*,
R330 2012, 'Accountant', *Manager of publicly listed service company*,
R368 2012, 'Accountant', *Manager of publicly listed service company*,
R369 2012, 'Auditor', *Partner of private-owned domestic accounting firm*,
R370 2012, 'Auditor', *Manager of 100% foreign-invested international accounting firm*,
R390 2012, 'Accountant', *Senior Accountant of private-owned service company*,
R397 2012, 'Auditor', *Senior Auditor of domestic accounting firm*,
R406 2012, 'Accountant', *Head of publicly listed commercial company*,
R413 2012, 'Academic', *Lecturer/Manager of private-owned university*,
R459 2012, 'Academic', *Lecturer /Manager of state-owned university*,

R473 2012, 'Academic', *Researcher of state-owned institution*,
R716 2012, 'Auditor', *Manager of private-owned accounting firm*,
R718 2012, 'Accountant', *Team Leader of joint-venture company*,
R724 2012, 'Accountant', *Manager of joint-venture company*,
R730 2012, 'Academic', *Lecturer of state-owned university*,
R737 2012, 'Auditor', *Auditor of private-owned domestic accounting firm*,
R741 2012, 'Accountant', *Manager of 100% foreign invested company*,
R828 2012, 'Accountant', *Head of joint-venture company*,
R859 2012, 'Academic', *Head of state-owned institution*,
R894 2012, 'Auditor', *Partner of private-owned domestic accounting firm*.