

The implication of applying IFRS in Vietnamese enterprises from an expert perspective

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ABSTRACT

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According to the survey results of the International Accounting Standards Board (IASB), currently, 131/143 countries (accounting for 93%) have had official statements on the application of IFRS with different forms. Among countries which have not permitted IFRS application, there is also a tendency to adjust the national accounting standards system to match up to IFRS. Vietnam is preparing a roadmap for the application of IFRS in 2022. This paper conducts a study with 23 in-depth interviews and survey with 92 experts who are university lecturers, researchers from research institutes, experts in the fields of securities, banking, finance in order to collect some ideas on the roadmap, subjects and scope of IFRS application; assess the benefits and challenges when applying IFRS; then give the implications of IFRS application process in Vietnam. The ideas are consistent with the opinion that preparing IFRS financial statements will improve the transparency of financial statements. However, experts think that the biggest challenge when adopting IFRS is associated with high expenses. Therefore, most opinions suggest that businesses need 3 to 5 years to prepare human resources and other necessary conditions for IFRS application. In addition, in the first period, there is a need to apply IFRS to listed companies, public companies, foreign-invested enterprises, encourage large companies to apply voluntarily. Besides, the study suggests some implications about the implementation process for organizations, individuals and the government.

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1. Introduction

Along with the trend of globalizing economic cooperation and development, accountings is no longer an internal and separate issue of each country. As a result, to meet the diverse demand of international investors, countries usually allow enterprises to apply IFRS when preparing and presenting financial statements. The International Financial Reporting Standards (IFRS) are studied and developed by the International Accounting Standards Board (IASB) with a view to provide an international framework for preparing and presenting financial statements for businesses. IFRS creates a common accounting language worldwide, enhancing the transparency and the comparability of financial statements. The methods of adopting IFRS in countries are really diverse: fully or partially apply, apply to separate financial statements or consolidated financial statements, apply to public companies or all businesses. Since 2005, IFRS has been first applied in Europe, Australia, New Zealand, and Hong Kong for listed companies, followed by countries such as Brazil, Canada, Russia, South Korea, Malaysia, China and Indonesia. Most recently India and Saudi Arabia are preparing to apply IFRS. The United States has not applied IFRS yet, but they allow foreign companies listed on the New York stock exchanges to use IFRS financial reporting. In Vietnam, looking back on the process of formation and development of accounting law, it can be seen that before 2000, the legal framework on accounting was very meager: the Accounting and Statistics Ordinance issued in 1988, followed by the accounting regime issued in accordance with Decision 1141 in 1995. Until 2000, when Vietnam's stock market opened and integrated, Vietnam issued 26 Vietnam Accounting Standards (VAS) in the period of 2001 - 2005. To date, these accounting standards is no longer suitable because: Firstly, there is a big difference between VAS and IFRS as some important contents of IFRS have not been

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specifically guided in VAS, including: accounting at fair value, accounting problems of value reduction, recording asset losses, agriculture, exploration and exploitation of mineral resources and accounting for financial tools. While transactions related to these issues have actually happened. Secondly, the key difference between VAS and IFRS makes VAS financial statements of a company incompatible when compared with other companies of the same field in the world, which does not meet the needs of the target groups: foreign investors, foreign partners and international rating organizations. Therefore, the quality of VAS financial statements has not been highly appreciated by international investors and funding organizations, creating barriers for Vietnamese enterprises in accessing international capital flows. Thirdly, in fact, some Vietnamese enterprises have also been preparing IFRS financial statements in parallel with the VAS financial statements for the purpose of establishing the consolidated financial statements of the parent company in foreign countries. This makes accounting work more complicated and expensive. Fourthly, Vietnam is in the process of administrative reform, attracting foreign investment, attracting capital in the international capital market. Especially, the financial market in general and the securities market in particular are having strong transitional moves, attracting more and more foreign investors and organizations. For the above reasons, the application of IFRS is essential and urgent for Vietnam. Therefore, the Ministry of Finance of Vietnam is planning to apply IFRS in 2022. To accomplish this task, one of the big questions for Vietnam now is: How to apply IFRS? Should we apply fully or make appropriate adjustments? What are the subjects, scope of application? Benefits and challenges? What should state agencies do to make the implementation process effective?

According to the report of the IASB, the application of IFRS has been implemented in many countries. Consequently many studies have been conducted to assess the benefits and challenges as well as study the factors affecting IFRS effectiveness. These following authors are some typical instances: Horton et al. (2016) studied and concluded that applying IFRS improved the information quality of the capital market and increased the comparability of information. Hossain et al. (2015), Ashok (2014), Odo (2018) studied the advantages and disadvantages of applying IFRS in Bangladesh and Nigeria. The results indicate that the application of IFRS promises many benefits such as reducing capital cost, improving the quality of financial statements and attracting foreign investors. Besides, some difficulties such as building a synchronous legal framework, training employees need to be overcome to successfully apply IFRS. Kanthi Herath et al. (2017), Obazee (2007), Daske et al. (2008) and Ball (2006) all proved that the benefits of IFRS were increasing foreign direct investment, minimizing the difference in accounting of countries. Trabelsi (2016) suggested that the biggest challenge was the cultural harmony of emerging countries and the United States – United Kingdom. Trabelsi (2016) recommended that, for these countries, the international harmonization process began with the adaptation to Anglo-Saxon accounting culture. These studies focus on clarifying the benefits and challenges of applying IFRS in each country. Thus, each research project only concentrates on one or several typical reasons suitable to the economic situation, political context and the characteristics of the culture in that country. Almost no work has comprehensively studied the benefits as well as fully assessed the difficulties in different aspects. Moreover, to date, Vietnam is among a few countries in the world that have not applied IFRS yet. Therefore, there are not many research projects about Vietnam. However, in the development trend of the market economy and international economic integration, Vietnam is preparing a roadmap for IFRS application in 2022. For that reason, we conduct this study with 23 interviews and survey 92 experts who are who are university lecturers, researchers from research institutes, experts in the fields of securities, banking, finance in order to collect their opinions on the roadmap, subjects and scope of IFRS application; assess the benefits and challenges when applying IFRS; and then propose some ideas to help the Ministry of Finance, the government in making policies enforced and more effective. This study aims at the following three *objectives*:

1. Presenting ideas and plans to apply IFRS in Vietnam,
2. Assessing the benefits and challenges of applying IFRS in Vietnam,
3. Developing a roadmap and orientation for Vietnam in applying IFRS.

The research results contribute to help the policy makers develop a model to apply IFRS in accordance with the development conditions of the economy and with the support of all economic sectors. The rest of the study is as follows: Section 2 reviews the literature. Section 3 elaborates on the research methodology. Section 4 describes the data, analyses the empirical results and presents the research results and discussion. Section 5 Conclusion and implications, indicates the limitations and recommends for future researchs.

2. Literature review

The International Financial Reporting Standards (“IFRS”) is a set of accounting standards studied and developed by the International Accounting Standards Board (“IASB”) with the goal of providing an international framework about preparing and presenting financial statements for profit-making organizations. IFRS creates a common accounting language for businesses worldwide, which enhances the transparency and comparability of financial statements. IFRS financial statements are widely accepted in many countries, which will facilitate businesses to better access the international capital market. There are several authors who have studied the application of IFRS in many countries such as: Odo (2018) conducted the testing of IFRS application in Nigeria; Kanthi Herath et al. (2017) conducted research in Saudi Arabia; Miao et al. (2017) studied in China through a case study combined with a survey of 394 enterprises; Trabelsi (2016) conducted research in underdeveloped countries; Hossain et al. (2015) studied the advantages and disadvantages of applying IFRS in Bangladesh; Ashok (2014) studied Indian businesses applying IFRS at the request of the Institute of Chartered Accountants of India (ICAI) starting from

1/4/2011; Merve Kılıça et al. (2014) assessed the advantages of applying IFRS in Turkey, Mısırlıoğlu et al. (2013) conducted research only in Turkish listed companies; DeFond et al. (2011) conducted research on samples from 14 EU countries; Alali and High (2010) were particularly interested in IFRS application in Ireland; Cai and Wong (2010) examined the impact of IFRS application on the integration of global capital markets among G8 countries; Nerudova and Bohusova (2008) investigated the application of IFRS in small and medium enterprises in the Czech Republic; Reid and Smith (2007) analyzed the costs and benefits of applying IFRS in the UK; Harris and Muller (2005) studied 31 foreign listed companies in the US; Joshi and Ramadhan (2002) surveyed small companies in Bahrain. These studies are mainly about the benefits and challenges of businesses when starting to apply IFRS. We synthesized, analyzed, assessed and selected the scales suitable to Vietnam's economic, political and cultural conditions, including the following scales:

2.1. The benefits of IFRS application

The benefits of IFRS application have been confirmed in several prior research projects including: Increasing investment and integration opportunities, attracting many domestic and international investors, promoting the integration process with the world economy; Improving the transparency and reliability of financial statements; Increasing the comparability among businesses; Enhancing the corporate responsibility; Providing an important standard for accounting; Reducing frauds in financial statements; Increasing bank loan opportunities. Overall, the study concludes that the benefits are worthy and far beyond expectations compared to the cost. Specifically:

Increasing investment and integration opportunities: IFRS creates a common accounting language for businesses worldwide. So, when a country applies IFRS, it will be internationally recognized that the country has a complete market economy. It represents a strong commitment by the Government in protecting investors and creating a healthy business environment for the sake of sustainable development goals. It will then attract more foreign direct investment as the demand of international investors is fulfilled. Odo (2018) conducted an inspection of IFRS application in Nigeria. The study used an overview and the method of trend analysis to verify that the application of IFRS improved the quality of financial statements hence attracted foreign investment and added value to the country. Kanthi Herath et al. (2017) proved that Saudi Arabia, when applying IFRS, changed the investment environment, which allowed this country to diversify its economy, attract more foreign investment opportunities and create more job opportunities for the younger generation. Hossain et al. (2015) studied the advantages and disadvantages of applying IFRS in Bangladesh. The application of IFRS promised many benefits such as reducing capital costs, improving the quality of financial statements, better accessing global capital markets and attracting foreign direct investment. Cai and Wong (2010) examined the impact of IFRS application on the integration of global capital markets among G8 countries. Applying IFRS has attracted many foreign investors, strengthening global financial market integration as opposed to countries that have not applied IFRS yet.

Improving the transparency of financial statements: The application of IFRS helps to improve the transparency of financial statements as IFRS require that the financial statements must be presented honestly, reasonably and publicly without depending on the subjective will of the Board of Directors. Furthermore, IFRS also require businesses to explain in detail the risks they possibly have to face, such as business risks, credit risks, liquidity risks, interest rates, exchange rates and policies. Therefore, applying IFRS will provide more useful financial information, strengthening the protection of public rights when deciding to invest in a business. Hossain et al. (2015) once again affirmed that IFRS application in the enterprises in Bangladesh attracted more investment because of transparent and reliable financial statements. Kılıç et al. (2014), after researching and assessing the advantages of applying IFRS in Turkey, concluded that it would ensure the comparability, reliability, transparency and understandability of the information on the financial statements. Uyar and Güngörmüş (2013), Arsoy and Sipahi (2009) approved that IFRS improved the quality of financial information, which helped businesses make effective investment decisions and reduce capital costs. Horton et al. (2016), Jermakowicz and Gornik-Tomaszewski (2006), Harris and Muller (2005) believed that in developing countries which applied IFRS, it not only improved the quality of financial information and capital flows but also contributed to promoting national image thanks to transparent and public information.

Increasing the information comparability among businesses worldwide: In the context where accounting is considered as a global business language, IFRS application will give state authorities, owners, investors, especially foreign investors a tool to evaluate and compare financial information between units in the same language, a common standard to make appropriate economic decisions. Odo (2018) researched in Nigeria and confirmed the uniformity of accounting language when applying IFRS was an undeniable value that helped compare financial statements worldwide. Arsoy and Sipahi (2009) also proved that IFRS improved the quality of financial information, helping businesses make effective investment decisions because analyzing and comparing financial statements of businesses in the same industry were easier and more convenient. Horton et al. (2016) affirmed that applying IFRS improved the information quality of the capital market and increased the comparability of information. Harris and Muller (2005) studied 31 foreign listed companies in the US that voluntarily applied IFRS. The comparison results showed that the difference when applying IFRS with IAS and US GAAP was in improving the comparability of financial statements.

Enhancing the corporate responsibility: Accounting standards aim to carefully present financial information, prioritize financial stability and safety rather than profit targets. With the above approach, IFRS requires businesses to immediately record the losses due to asset depreciation, fluctuation in fair value, net realizable value or recoverable amount of assets is lower than book value. Therefore, when applying IFRS, enterprises must have a more honest and objective attitude in reflecting their financial weaknesses, reducing frauds in profit and loss statement, contributing to the prevention of negativity and corruption. Ashok (2014) studied Indian enterprises applying IFRS at the request of the Institute of Chartered Accountants of India (ICAI) starting from 1/4/2011. The results showed that by 2014, 30% of enterprises reported they were at a loss. The reason why IFRS require businesses to present financial statements more honestly, enhance the corporate responsibility. DeFond et al. (2011) conducted research on samples of 14 EU countries which required to apply IFRS and 10 countries which did not require to apply IFRS in the period of 2003-2007. The results showed that international investment had a tendency to increase after companies apply IFRS because the information was explained in more details, more reliable and more comparable. Cirkveni et al. (2011) and Rezaee et al. (2010) emphasized that IFRS's role in pricing made accounting data less regulated, especially incomes, which decreased frauds on financial statements.

Improving the reliability of financial statements: IFRS requires that published information must reflect market developments at the time of reporting through reassessment of fair value, recoverable value of assets and liabilities, use value, time value and current value, not just past information at the time of transaction (historical cost). Therefore, IFRS financial statements will provide business leaders more reliable information for assessing the financial position of the unit at the time of reporting as well as forecasting business performance and future cash flow to make appropriate and effective economic decisions. Horton et al. (2016), Rezaee et al. (2010) and Cirkveni et al. (2011) proved that IFRS improved the information quality of the capital market because of more reliable financial statements. DeFond et al. (2011) studied EU enterprises in the period of 2003-2007 and the results showed that the information was more specific and more reliable, which increased international investment. Joshi and Ramadhan (2002) surveyed small companies using IAS in Bahrein, 86% of them agreed that when they applied IFRS they would improve bank loans opportunities and improve financial information efficiency because IFRS were more flexible but more effective so the financial statements would be more reliable.

Providing an important standard for accounting: IFRS provides a universal set of standards for the whole world, it is a global accounting language (Young & Zeng, 2015). In the trend of globalization and international economic integration, the application of IFRS will limit conflicts in the financial statements, because the standards of accepted accounting principles are different in each country (Joshi & Ramadhan, 2002; Rezaee et al., 2010).

Financial statement information is easier to understand: The preparation of IFRS financial statements helps enterprises present financial statements in accordance with international standards, applying the correct principles to make financial statements standardized and easy to understand (Young & Zeng, 2015; Alfredson et al., 2010; Ataman & Altuk Özden, 2009). DeFond et al. (2011) investigated the impact of mandatory IFRS application on cross-border investment. Their research indicated that the ability to compare and enhance the qualitative characteristics of accounting information is the main motivation for applying IFRS. Indeed, the implementation of IFRS makes financial statements standardized, simple and easy-to-understand, which attracts investment from foreign support funds (Alkhtani, 2012).

Reducing frauds in financial statements: When applying IFRS, the quality of the financial statements is improved remarkably through enhancing accountability, increasing transparency and comparability (Young & Zeng, 2015, Merve Kılıça et al. 2014), providing financial statement users with a significant amount of useful information for making management, administration and investment decisions. DeFond et al. (2011) investigated the impact of mandatory IFRS application on cross-border investment. DeFond's research showed that the voluntary accountability of businesses and the enhancement of the qualitative characteristics of accounting information is the key motivation for IFRS adoption. Trabelsi (2016) suggested that IFRS applied in underdeveloped countries would help reduce frauds when preparing financial statements because the national standards were somewhat arbitrary and subjective.

Increasing bank loan opportunities: Many countries have a demand for loans from international organizations such as WB, IMF, ADB ... with low interest rates. In order to achieve this, according to the regulations of most international donors, the presentation of financial information under international standards is a mandatory condition, therefore applying IFRS will create favorable conditions for businesses to attract appropriate financial resources with lower costs and higher efficiency for business activities, Kim et al. (2011). Kanthi Herath et al. (2017), studied in Saudi Arabia and pointed out that IFRS helped to boost bank loan opportunities, increasing foreign direct investment. Cirkveni et al. (2011) emphasized that IFRS's role in pricing made accounting data less adjusted, especially the incomes, which reduced frauds on financial statements, making it easier for companies to borrow from the banks. Cai and Wong (2010) studied the group of G8 countries. In that, some countries applied IFRS while other countries were still in progress. Cai and Wong discovered that having an internationally accepted set of standards in financial statements would minimize the accounting diversity among countries. This reduction will play an important role in lowering the need to re-prepare financial statements. As a result, countries which apply IFRS will have favorable conditions for the movement of capital and the enhancement of global financial market integration in contrast to countries which have not applied IFRS. Joshi and Ramadhan (2002) surveyed small companies in Bahrein and concurred with the views of Cai and Wong (2010).

2.2 The challenges of IFRS application

Apart from the benefits, the application of IFRS also brings several challenges to businesses such as: expensive costs for the first time application (consulting costs, costs of building information technology systems, costs of employee training), lack of market information for some certain IFRS requirements about fair value, a lack of qualified employees who are knowledgeable about IFRS. Specifically:

High cost for the first time application: When applying IFRS, it will generate some initial investment costs for employee training, translating IFRS into the local language, changing information systems and accounting software (Kılıça et al., 2014). Although the initial investment costs are relatively large, in the long term, the benefits from information transparency, attracting investors will not only far outweigh the initial costs but also help businesses develop steadily and sustainably. Miao et al. (2017) conducted a research in China through a case study combined with a survey of 394 enterprises. The authors clarified that the challenges of applying IFRS in China included the costs of implementing IFRS, translating IFRS into Mandarin, IFRS training; lack of infrastructure for consistent IFRS application. Mısırlıoğlu et al. (2013) confirmed that Turkish listed companies did not apply IFRS consistently or claimed that they complied with IFRS requirements despite the mandatory application of IFRS in 2005, because the process of implementing IFRS for the first time was very difficult and required a large amount of finance. It was very difficult for the first time and needed a large amount of finance. Nerudova and Bohusova (2008) revealed that the application of IFRS in small and medium enterprises in the Czech Republic was remarkably difficult and inappropriate. Therefore, if Small and Medium Enterprises (SMEs) are required to adopt IFRS, it will lead to excessive costs and inefficiency. Jones and Finley (2011), Winney et al. (2010), Artikis et al. (2010) and Taylor (2009) were all concerned about the costs of getting acquainted with IFRS, human resource training, financial statements conversion, infrastructure preparation and translating IFRS into local languages. Obazee (2007) believed that the biggest challenge when applying IFRS was not about technical issues but other factors such as language and initial investment costs. This opinion was also relevant to the research results of Daskevà et al. (2008) and Ball (2006), Winney et al. (2010); Bunea-Bontas et al. (2011).

IFRS is complicated with strict regulations on information disclosure: One of the greatest benefits of IFRS is to enhance the transparency of financial statements. However, poor sense of law compliance and professional ethics, unwillingness to publicize the financial situation or weakness cover-up will be the barriers to the process of approaching international practice. Trabelsi (2016), Kılıça et al. (2014) indicated that the biggest difficulty when applying IFRS is to implement regulations on accountability and information disclosure. All the information about the financial situation, cash flow, performance results and other information needs to be publicly available on a large scale. Nerudova and Bohusova (2008) discovered that the application of IFRS in SMEs in the Czech Republic was relatively difficult and inappropriate. Because of the complexity, SMEs was not capable of finance and human resources to completely operate under IFRS regulations. Alali & Cao (2010) were particularly interested in applying IFRS in Ireland, the problem they encountered was the complication, novelty and strict regulations on information disclosure in terms of quantity and quality of information, deadlines and responsibilities for information. Consistent with this view, Winney et al. (2010), Jones and Finley (2011) were also afraid that IFRS were comparably inconvenient and strict about the information disclosure of enterprises.

Businesses have difficulties in technology and human resources: In the process of applying IFRS, small businesses always face with human resources issues. First of all, accounting personnel, most of whom have not received intensive training on IFRS. Next is the number of experts and auditors who do not know well enough about IFRS, with hardly any experience and skills of preparing IFRS financial statements (Kılıça et al., 2014; Müllerova et al., 2010). Odo (2018) conducted a study in Nigeria and found that the qualifications of accountants were not sufficient to meet IFRS requirements. He said that despite facing many challenges, their country could overcome by strengthening professional accounting training, raising awareness of managers and scientists to shorten the knowledge gap and provide sufficient resources to support sustainable IFRS implementation. Poudel et al. (2014) clarified that the application of IFRS in Nepal was ineffective due to objective reasons such as corruption, underdeveloped capital markets and the lack of qualified and well-trained accountants, who were capable of understanding and applying IFRS consistently in Nepal. Mısırlıoğlu et al. (2013) carried out a survey in Turkey and indicated that enterprises could not apply IFRS completely and properly because of limited accounting qualifications.

Difficulty in recruiting qualified accountants to prepare financial statements: IFRS are also a relatively new issue for many countries. The issues specified in IFRS are remarkably complicated, requiring appropriate accountants and users. There are not many accountants who are knowledgeable about IFRS in developing countries, so enterprises face many difficulties in recruiting accountants. Odo (2018) provided the research results in Nigeria, 80% of businesses did not have well-qualified accountants to implement IFRS effectively; Hossain et al. (2015) studied the advantages and disadvantages of applying IFRS in Bangladesh and also confirmed that it was difficult for small businesses to recruit accountants to apply IFRS. Trabelsi (2016), Reid and Smith (2007) analyzed the costs and benefits of applying IFRS in the UK but were concerned about their complication and challenges. The problem of training accountants and financial experts with fundamental knowledge about IFRS is the concern of researchers in Hungary (Artikis et al., 2010, Jones & Finley, 2011).

A lot of information is judgmental and subjective: Applying IFRS uses several accounting estimates, which requires flexibility along with the necessary professional judgments, making accounting information inaccurate. For example, the concepts of

fair value and financial tools will be considerably influenced by accountants. Meanwhile, accountants are often influenced by stereotypical culture and always limit uncertainty and risks (Oghogho, 2016). Christie et al. (2010) conducted a study with 243 US accountants participating in the survey. The results showed that 65% of respondents used US GAAP and 21% used tax accounting rules. Only 2% of respondents used IFRS. Accountants did not want to apply IFRS to small businesses because they had not completely mastered the contents specified in IFRS. Taylor (2009), Jones & Finley (2011) and Chand et al. (2010) were also afraid that subjective judgments might easily lead to frauds in financial statements.

Market information: Eloho et al. (2016), Trabelsi (2016), Jones & Finley, 2011, Artikis et al. (2010), Reid and Smith (2007) prove that because IFRS's target is to present the assets and liabilities of enterprises at market value at the time of reporting, it is necessary for the market to be relatively developed to provide reliable information. Most of the emerging markets only provide some basic information, such as the price of listed shares, prices of trading fuel and agricultural products. However, with regard to other information such as the value of land and resources, there is a big difference between the published price of the Government and the actual transaction price. In addition, in order to assess the ability of debt recovery and pricing of enterprises, other information such as the credibility and market shares is required, so the application of IFRS to a transforming economy may face some certain difficulties in the short term.

Difference between domestic financial mechanisms and policies and IFRS: Some financial mechanisms and policies of different countries differ remarkably from IFRS. Thus, if the government do not adjust the mechanisms and policies timely, especially for state-owned enterprises, it will cause difficulties due to inconsistencies in the approaching method, making businesses confused when applying the law. Trabelsi (2016), Obazee (2007), Siaga (2012), Alp & Ustundag (2009) and Artikis et al. (2010) assessed that the biggest difficulty was the harmonization of culture, legal mechanisms and policies of each country with IFRS's mechanism, culture and law. Obazee (2007) believed that the main factors affecting IFRS implementation in Europe, America and the rest of the world were cultural issues; legal, educational, and political obstacles in those countries rather than technical issues. This once again explained the statistics of Siaga (2012), which showed that although 40% of African countries had IFAC access, only 28% of IFAC members in Africa applied IFRS.

3. Methodology

3.1. Qualitative research method

In order to facilitate the implementation and reliability of the research results, we conducted this study with 23 direct interviews including 5 lecturers from 3 universities, and 3 State management officials at the Ministry of Finance, 4 chief accountants, 4 directors and finance directors, 3 researchers of accounting research institute, 4 chief auditing managers of 4 large auditing companies. Those selected for the interviews all held a PhD degree, and Master's degree for the chief accountants and the auditing managers. For each subject, the interview aimed at different objectives. Specifically, with regard to lecturers' group, we focused on their assessment of the scope of IFRS application, advantages and disadvantages. With regard to the State management officials' group, we focused on the assessment of the subjects and the roadmap for IFRS application. With regard to the chief accountants' group, we considered the benefits and challenges for first time application. With regard to the directors' group, we collect the information about the roadmap and the ability to implement IFRS in the unit.

The process of interviewing and information collection was always close to the objectives and the research questions in order to understand the views of each subject. We outlined some basic questions to be active in the interviews. We made notes and recorded the interviews. After the interview, we prepared the situation description and sent them back to the interviewees to verify the information and correct if it had been wrong. The data analysis steps are as follows:

- Step 1: Aggregate data into the same excel file according to the basic questions set. Flexible answers take separate items for later coding.
- Step 2: Read through the entire data file; Re-read to find the words or clusters of keywords, common problems in interviews, put together and assign classification criteria (group name). Interview segments with the same content are put in the same excel box. Read again to clarify the idea of each paragraph and unify classification criteria.
- Step 3:
 - + Filter the data by code, compare the appearance of that code with research questions to find the link between the code and information related to IFRS.
 - + Repeat this task several times to find and build relationship between the factors.

3.2. Quantitative research methods

Building scale

The preliminary scale is based on the inheritance of prior studies and adjusted to adapt to the situation in Vietnam. Based on the initial preliminary scale, 4 new scales were added after interviewing the experts. Conduct a survey of 15 forms to check the contents of the questionnaire and adjust the official scales. The questions in the questionnaire were assessed according to

Liker scale 5 levels (1- Strongly disagree; 5- Strongly agree). The study is conducted through survey forms sent to experts who are state managers, researchers, lecturers of universities in Vietnam. Experts who participated in the in-depth interview did not participate in the survey questionnaire. The questionnaire is designed with 2 main parts, including: (i) IFRS benefits to Vietnam; (ii) Challenges when Vietnam applies IFRS. In addition, the questionnaire was supplemented with questions about the IFRS application roadmap in Vietnam and personal information of surveyors. The scales are inherited from prior studies, namely:

The scale of benefits of applying IFRS includes 9 questions inherited from prior studies: Odo (2018), Kanthi Herath et al. (2017); Horton et al. (2016); Trabelsi (2016); Hossain et al. (2015); Young and Zeng, 2015; Merve Kılıça et al. (2014); Ashok (2014); Cirkveni et al. (2011); DeFond et al. (2011); Köse (2009); Arsoy & Sipahi (2009); Cheung et al. (2008); Harris and Muller (2005); Joshi and Ramadhan (2002) and 01 additional question from the results of interviews with experts: "Vietnam's financial statements will be publicized in international forums and be recognized".

The scale of difficulties when applying IFRS includes 5 questions, inherited from prior studies of Miao et al. (2017), Mısırlıoğlu et al. (2013), Nerudova and Bohusova (2008), Jones & Finley (2011), Artikis et al. (2010); Winney et al. (2010), Alali & High (2010); Taylor (2009); Nerudova and Bohusova (2008); Daskevà et al. (2008); Reid and Smith (2007); Obazee (2007); Zeghal and Mhedhbi (2006) and Ball (2006) and 03 additional questions from the in-depth interview results: "Vietnam's legal framework is not synchronized"; "Language barriers" and "Pressure from international consulting companies in Vietnam".

Describe the research sample

We sent a questionnaire via email to experts who were managers and lecturers of universities with convenience sampling method. The total number of valid collected forms was 92, of which 88 were university lecturers, 4 were managers of schools, state research institutes and auditing institutes. The level of interviewees is Master (45.7%), followed by Doctor (38%), Associate Professor (14.1%). In terms of age, the majority of respondents is between 30 and 40 years old (59.8%), followed by 40 to 50 years old (23.9%). Sample details are shown in Table 1.

Table 1
Survey sample statistics

		Sample = 92	Percent (%)
Gender	Male	20	21.7
	Female	72	78.3
Age	< 30	9	9.8
	30 - 40	55	59.8
	40 - 50	22	23.9
	Above 50	6	6.5
Highest level	Professor	1	1.2
	Associate Professor	13	14.1
	Doctor	35	38.0
	Master	42	45.7
	Bachelor	1	1.1
Job position	Manager	4	4.3
	Lecturer	88	95.7

4. Research results

IFRS awareness

When being asked about assessing the shortcomings in providing financial statement information of enterprises in accordance with Vietnamese Accounting Standards (VAS), experts have a high consensus on the inadequacies in the current regulations (accounting for 90.2%). Experts' opinions indicate that changes in current regulations in preparing and presenting necessary financial statements are necessary in order to meet the practical requirements and international integration.

IFRS application roadmap in Vietnam

Regarding IFRS application roadmap in Vietnam, the majority of experts believe that Vietnam can apply IFRS in 3 to 5 years (accounting for 45.65%), followed by 5 to 10 years (accounting for 38.04%). Apart from that, some believe the application of IFRS in Vietnam are close in the coming time (less than 3 years) and others are pessimistic about the time when Vietnam will apply IFRS (See Fig. 1).

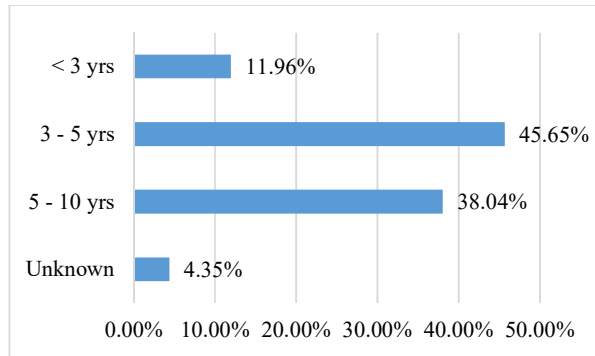


Fig. 1. IFRS application roadmap in Vietnam

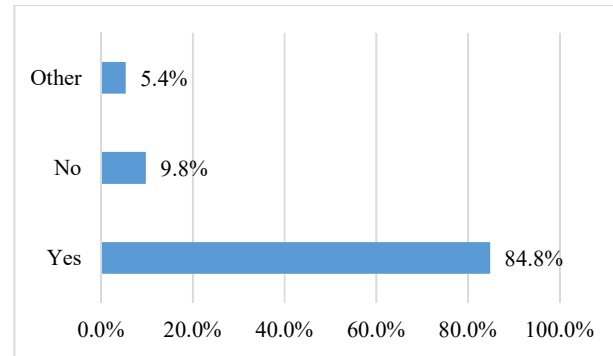


Fig. 2. IFRS are better than VAS

IFRS are better than Vietnamese Accounting Standards

The majority of respondents said that the application of IFRS would be better than applying current accounting standards (accounting for 84.8%). This result is consistent with the interview results of experts. Specifically, experts believe that IFRS ensures the comparability, transparency and require strict adherence to regulations on information disclosure and professional ethics. Therefore, applying IFRS will improve the quality of information on financial statements; attract investment and enhance business cooperation opportunities, competitiveness and international economic integration; improve the quality of information, quality of accountants and business efficiency, rapidly integrate into international accounting standards. On the contrary, a few people disagree with the above point of view, others have different opinions. Specifically, whether or not IFRS application is better depends on the subjects of application, conditions of application as well as the legal infrastructure of Vietnam (See Fig. 2).

Subjects of IFRS application

According to the quantitative survey results, when being asked about which businesses should apply IFRS, a greater number of experts think that Vietnam should apply to public companies first (66.30%). Financial Analyst of Unilever Vietnam International Co., Ltd: “Proposing a pilot application to listed companies before implementing mandatory application of all businesses.” The chief accountant of Vietnam Dairy Products Company: “Application method: pilot application for a number of subjects. We should not implement mandatory application to all businesses immediately”. This is also a common trend of countries in the world (126/150 countries). The results of in-depth interviews reveal the application roadmap of the subjects in more detail, namely: In the first period (2020-2022), Vietnam should apply to listed companies, public companies and foreign-invested enterprises. Because these units are applying IFRS in accordance with the regulations of the parent company for the consolidated financial statements of the group. For that reason, this is a comparably plausible subject. In the second period (2022-2025), we should encourage large companies to voluntarily apply. In the third period (after 2025), we should apply to all businesses (See Fig. 3).

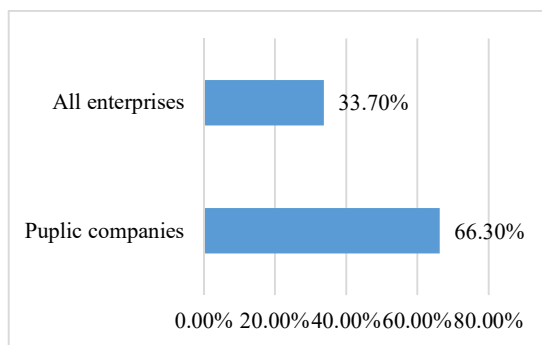


Fig. 3. Subjects of IFRS application

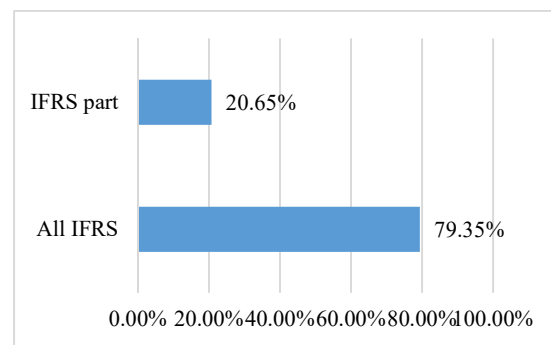


Fig. 4. Scope of IFRS application in Vietnam

Scope of IFRS application in Vietnam

Most experts suggest that Vietnam should apply IFRS partially in accordance with the current situation (79.35%) instead of the whole application in Fig. 4. Some contents are relatively urgent to make the information on financial statements of Vietnamese enterprises compliant with international practices such as financial tools, revenue, leasing, insurance contracts, etc. This is also a choice of many countries which follow the “conversion” method, which allows accountants to learn gradually about the standards, provide a reasonable time frame to change the national legal framework. According to the interview results, the expert opinion of FPT Joint Stock Company is that: “Suggesting the Big Bang method for IFRS application. This

means that all accounting standards are applied at the same time, for both separate financial statements and consolidated financial statements”. The chief accountant of Vietnam Airlines: “Suggesting the application of all IFRS system at the same time; In the short term, the government should apply IFRS in a voluntary way to the consolidated financial statements of some businesses”. According to an expert of the Economic Research Institute: “We should apply the entire IFRS system at the same time.”

IFRS knowledge preparation

In order to assess the preparation of IFRS knowledge, we asked the surveyed subjects about attending IFRS training courses or learning about IFRS by means of books and friends or related practical work. The results showed that the majority studied IFRS through books (89.1%), followed by participating in training courses (71.7%), exchanging with friends (67.4%). For practical experience, only 32.6% of the participants had ever studied IFRS through consulting for businesses.

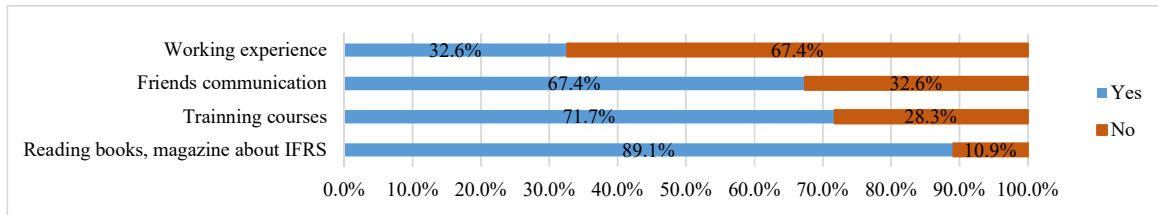


Fig. 5. Information channel to learn IFRS

According to the interview results, for accountants: “Almost know nothing about IFRS”. Others said, “Learn about IFRS through the training sessions of the ACCA or the Ministry of Finance”. For auditors “Trained at Deloitte Vietnam Company Limited”, others said, “Have a chance to learn about IFRS because customer company uses IFRS”, a few learn through translated documents or online newspapers. Only a few people know IFRS through practical experience. These figures are completely consistent with the survey results presented in Fig. 5.

Compare IFRS knowledge preparation

In order to compare the preparation of IFRS knowledge of experts in Vietnam by group of academic level, age, gender, we conducted a test to examine the difference in distribution among groups without equal variance with Kruskal Wallis Test. The results showed that, in terms of educational level, “reading books about IFRS” and “Work experience” are statistically significant (Sig. <0.05), “attending training course” is statistically significant with Sig = 0.058. Assessing the preparation of knowledge for applying IFRS in Vietnam, there is a difference among 5 groups in terms of educational level when squaring $X^2 = 10.489$ and Sig. = 0.033 (for reading books and newspapers), $X^2 = 12,927$ and Sig. = 0.01 (for work experience) and $X^2 = 9.120$ (for attending training course) (Table 2). Accordingly, for reading books about IFRS, the average rank of professors and associate professors’ group is the highest (51.5), followed by the doctor group (average rank of 47.56) and the master's degree (44.93), the bachelor group has the lowest result. This shows that highly-qualified professionals read more books about IFRS than the rest. This result is on the contrary to the study of Uyar and Güngörmüş (2013) and Kılıç et al. (2014). In terms of training courses, professors participate in fewer training courses than the other groups. As for IFRS information through work experience, the bachelor's group stays at the highest rank (Table 3).

Table 2
IFRS knowledge preparation of experts

Preparedness	Over all		Kruskal Wallis Chi-Square	
	Yes (%)	No (%)	Level of education	Age
Communicating	67.4	32.6	6.175	6.539***
Reading books, magazines about IFRS	89.1	10.9	10.489**	2.381
Training courses	71.7	28.3	9.120***	7.854**
Working Experience	32.6	67.4	12.927*	4.084

* Significant at the 0.01 level ** Significant at the 0.05 level *** Significant at the 0.1 level

Table 3
Kruskal-Wallis Test – assessing IFRS preparation by academic level

Academic level	Reading books, magazines about		Training courses		Working Experience	
	N	Mean Rank	N	Mean Rank	N	Mean Rank
Professor	1	51.50	1	13.50	1	31.50
Associate Professor	13	51.50	13	52.42	13	45.65
Doctor	35	47.56	35	51.61	35	55.16
Master	42	44.93	42	40.88	42	39.17
Bachelor	1	5.50	1	59.50	1	77.50
Total	92		92		92	

The Kruskal Wallis Test result by age indicates that “attending training courses” and “exchanging with friends” is different by age, respectively Sig. = 0.049 < 0.05, $X^2 = 7.854$ and Sig. = 0.088 < 0.1 and $X^2 = 6.539$ (Table 3). In terms of hierarchy, the age of 40-50 achieves the highest ranking both in exchange with friends and in attending training courses. Next, the group of 30-40 and the group of above 50 are relatively equal in ranking. The group of under 30 is at the lowest rank in attending training courses and the group of above 50 is at the lowest rank in exchanging with friends.

Table 4
Kruskal-Wallis Test – assessing IFRS preparation by age

Age	Communicating		Training courses	
	N	Mean Rank	N	Mean Rank
< 30	9	35.94	9	28.83
30 - 40	55	48.12	55	47.79
40 - 50	22	51.05	22	51.14
> 50	6	30.83	6	44.17
Total	92		92	

Benefits of IFRS application in Vietnam

The content of assessing the benefits of IFRS application in Vietnam is inherited from prior studies, the authors selected, analyzed and assessed to find the most suitable scale for the characteristics of the economy, politics and culture of Vietnam, including 9 scales and 01 additional content from in-depth interview results. With the Likert scale of 5 levels, the average value is summarized in Table 5. When assessing the benefits IFRS application in Vietnam, all 10 contents of the survey were approved by experts, the average value was from 3.53 to 4.02 (Table 5). In that, the content “More transparent financial statements information” reached the highest level of agreement (mean 4.02). This content is highly appreciated by the respondents, which is similar to the results of previous research by Hossain et al. (2015); Kılıça et al. (2014) and Madawaki (2012). The content “Information comparability with enterprises worldwide” achieved 4.0 mean. This result is consistent with previous studies of Odo (2018); Merve Kılıça et al. (2014), Uyar & Güngörmüş (2013), Arsoy & Sipahi (2009), Horton et al. (2016) and Harris and Muller (2005). Other contents such as higher enterprises responsibility, more reliable financial statements information, providing important standards for accounting also achieved mean from 3.8 to 3.89. The study of Rezaee et al. (2010) also illustrates similar results when assessing the effectiveness of IFRS financial information for users. The content of “Financial statements are publicized and recognized worldwide” supplemented by in-depth interviews also reaches the mean of 3.82. These results are the basis for promoting IFRS application in the information disclosure of financial statements of Vietnamese enterprises.

Table 5
Assessing the benefits of IFRS application in Vietnam

No.	Benefits	Over all		Kruskal Wallis Chi-Square
		Mean	Std. Deviation	Age
1	More transparent financial statements information	4.02	1.02	6.556***
2	Information comparability with enterprises worldwide	4	0.93	5.328
3	Higher enterprises responsibility	3.89	0.98	7.886**
4	More reliable financial statements information	3.86	0.98	10.493**
5	Financial statements are publicized and recognized worldwide	3.82	1.06	9.099**
6	Providing important standards for accounting	3.8	0.96	8.027**
7	Increasing investment and integration opportunities	3.79	1.07	9.151**
8	Financial statements information is easier to understand	3.62	0.86	6.651***
9	Reducing frauds in financial statements	3.54	0.80	11.857*
10	Increasing bank loan opportunities	3.53	1.07	6.366***

* Significant at the 0.01 level

The content “financial statements information is easier to understand” (mean = 3.62), more reliable (3.86) are similar to previous research results of Young and Zeng (2015), DeFond et al. (2011), Alkhtani (2012), Alfredson et al. (2009) and Ataman and Altuk Özden (2009) when indicating that financial statements are easier to understand and more reliable if a general standard system is applied consistently. Particularly, the content “Reducing frauds in financial statements” and “Increasing bank loan opportunities” have the lowest average value (mean = 3.54 and 3.53). This result is consistent with the research of Young and Zeng, 2015, DeFond et al. (2011), Trabelsi (2016), Merve Kılıça et al. (2014) on assessing the benefits of applying IFRS to SMEs in Turkey: reducing frauds and increasing bank loans opportunities. Kim et al. (2011) also had a similar result by assuming that IFRS would help businesses have certain incentives from banks on interest rates and loan terms. The results of the study all maintained a mean above average level, which shows that IFRS application in Vietnam would bring more benefits from the perspective of experts. These results are basically consistent with many prior studies. Nevertheless, some studies have the opposite results such as Jeanjean and Stolowy (2008), which assumed that applying IFRS for preparing financial statements had little impact on the quality of information provided to users because they depended on personal information. Conducting the comparative test of IFRS benefit assessed by age, gender and academic level, the results show that there are only some differences among these opinions by age. The response describes that there is no difference in

qualifications for assessing the benefits of IFRS application. All contents are statistically significant, except for "Information comparability with enterprises worldwide". The content "Reducing frauds in financial statements" is significant at level Sig. = 0.008, $X^2 = 11,857$ and there is an obvious difference between age groups. The group of above 50 years old regards this benefit as the highest (mean rank = 71.83), followed by the group of under 30 (mean rank = 58.17), the other two age groups have a mean rank of 45.66 and 36.91 respectively (Table 6). With the remaining contents, the group of above 50 years old has the highest mean rank (mean ranks from 65 to 75.83), the remaining groups are comparably similar.

Table 6
Kruskal-Wallis Test – assessing the benefits by age

Age	More transparent financial statements information		Higher enterprises responsibility		More reliable financial statements information		Financial statements are publicized and recognized worldwide		Providing important standards for accounting		Increasing investment and integration opportunities		Financial statements information is easier to understand		Reducing frauds in financial statements		Increasing bank loan opportunities	
	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank
< 30	9	44.11	9	42.78	9	50.33	9	55.00	9	43.44	9	46.89	9	52.06	9	58.17	9	45.22
30 – 40	55	42.45	55	42.85	55	42.13	55	41.72	55	45.27	55	44.46	55	42.77	55	45.66	55	45.33
40 – 50	22	52.57	22	50.77	22	47.86	22	48.52	22	43.73	22	43.43	22	47.55	22	36.91	22	43.14
> 50	6	65.00	6	69.83	6	75.83	6	70.17	6	72.50	6	75.83	6	68.50	6	71.83	6	71.50
Total	92		92		92		92		92		92		92		92		92	

Difficulties of IFRS application in Vietnam

The difficulties of applying IFRS scale is inherited from the studies of Miao et al. (2017), Mısırlıoğlu et al. (2013), Nerudova and Bohusova (2008), Jones & Finley (2011), Winney et al. (2010), Nerudova and Bohusova (2008); Alali & High (2010); Reid and Smith (2007); Artıkis et al., 2010, Jones & Finley (2011), Zeghal and Mhedhbi (2006) and 03 additional questions from the interview results. Comments are collected on the Likert scale of 5 levels. The results are shown in Table 7.

Table 7
Assessing the difficulties of IFRS application in Vietnam

STT	Difficulties	Kruskal Wallis Chi-Square			
		Over all		Education Level	
		Mean	Std. Deviation	Age	Level
1	First time of application is expensive	3.95	0.942	0.712	7.371
2	The legal framework of Vietnam is not in synchronized with the international	3.93	1.003	1.656	3.927
3	Language barrier	3.84	1.041	4.706	5.303
4	IFRS are complicated with strict regulations on information disclosure	3.77	0.996	3.631	5.790
5	SMEs have difficulties in technology and human resources	3.70	1.046	5.434	12.627**
6	Difficult to recruit qualified accountants to prepare financial statements	3.62	1.067	7.493***	11.718**
7	A lot of information is subjective	3.53	1.032	3.212	4.122
8	Pressure from the international consulting companies in Vietnam	3.34	1.009	3.198	2.264

* Significant at the 0.01 level ** Significant at the 0.05 level *** Significant at the 0.1 level

Survey results show that 7/8 contents reach mean from 3.53 to 3.95. In that, the majority believe the biggest difficulty is "First time of application is expensive". The study of Miao et al. (2017), Mısırlıoğlu et al. (2013), Nerudova and Bohusova (2008), Jones & Finley (2011), Winney et al. (2010) and Bunea-Bontas et al. (2011) also pointed out that the difficulties that enterprises had to face when applying IFRS were expensive costs such as accounting training, changes in accounting information systems, hiring consultants. Merve Kılıça et al. (2014) also claimed that the cost of implementing IFRS for SMEs was the biggest obstacle. "The legal framework of Vietnam is not in synchronized with the international legal framework" and "Language barrier" were also major obstacles for Vietnam (mean = 3.93 and 3.84). This result is consistent with the research of Trabelsi (2016), Obazee (2007), Siaga (2012), Alp & Ustundag (2009) and Artıkis et al. (2010) when businesses have to translate international accounting standards into their national languages, obstacles in translating terms and concepts. Respondents also suggested that IFRS are complicated with strict regulations on information disclosure (mean = 3.77). Kılıça et al. (2014), Trabelsi (2016), Nerudova and Bohusova (2008), Alali & Cao (2010), Winney et al. (2010), Jones & Finley (2011) revealed that SMEs in Turkey had difficulties because of IFRS's detailed rules because they were adapting to regulations based on specific instructions. SMEs have difficulties in technology and human resources (mean = 3.7); Difficult to recruit qualified accountants to prepare financial statements (mean = 3.62) are also consistent with the results of previous publications such as spending time on accounting training, technical preparation to convert from national standards to international standards (Kılıça et al., 2014; Müllerova et al., 2010; Odo, 2018; Poudel et al., 2014; Mısırlıoğlu et al., 2013). Another difficulty that businesses encounter is "A lot of information is subjective" when preparing IFRS financial statements.

Vietnamese enterprises are now familiar with preparation method according to specific regulations of the accounting regime, while the regulations on preparing and presenting financial statements under IFRS contain a lot of estimated and subjective information of the accountants. This is a significant difficulty in Vietnam's accounting practice (Eloho et al., 2016). Christie et al. (2010) Chand et al. (2010) describe that the international financial reporting standards require a lot of subjective information of accountants. The content "Pressure from the international consulting companies in Vietnam" only reached a low level (mean = 3.34). When comparing the assessment of difficulties from expert groups by gender, age, academic level, results indicate that in terms of academic level, the content "Difficult to recruit qualified accountants to prepare financial statements" and "SMEs have difficulties in technology and human resources" have a significant difference. There is an outstanding difference by the group of Professors and Bachelors, specifically, the Professors group's assessment is more than that of the Bachelors group. Similarly, in terms of age, there is a significant difference in the difficult assessment between the age group of above 50 and the age group of under 30 in "Difficult to recruit qualified accountants to prepare financial statements". The age group of under 30 has higher assessment than that of the age group of above 50. Detailed figures are described in Table 8 and Table 9 below:

Table 8
Kruskal-Wallis Test – assessing difficulties by academic level

Edu level	Difficult to recruit qualified accountants to prepare financial statements		SMEs have difficulties in technology and human resources	
	N	Mean Rank	N	Mean Rank
Professor	1	55.00	1	19.50
Associate Professor	13	35.12	13	40.42
Doctor	35	41.54	35	40.41
Master	42	54.99	42	55.12
Bachelor	1	3.00	1	3.50
Total	92		92	

Table 9
Kruskal-Wallis Test – assessing difficulties by age

Age	Difficult to recruit qualified accountants to prepare financial statements	
	N	Mean Rank
< 30	9	65.06
30 - 40	55	47.38
40 - 50	22	39.23
> 50	6	37.25
Total	92	

5. Conclusions and implications

Vietnam is one of the countries that have not allowed or requested enterprises to prepare and present IFRS financial statements. Financial statements of Vietnamese enterprises are in accordance with Vietnamese Accounting Standards, issued from 2001 to 2005, based on IAS. Along with the changes in the transactions of the market economy, Vietnamese Accounting Standards have revealed many limitations. In addition, the trend to unify regulations to prepare and present financial statements under IFRS is developing worldwide. To contribute to improving the business environment, supporting the development of the stock market, attracting foreign investment, in line with the general trend of the world, the application of IFRS in Vietnam is significantly necessary. Research results from an experts' perspective, the benefits include:

- Improving the quality of financial statements, providing many useful and reliable information;
- Transparency of financial information, helping the subjects using information have a better understanding of the financial situation of enterprises, creating favorable conditions for enterprises when implementing capital mobilization, increasing investment opportunities and attract investment;
- Financial statements information is publicized and recognized worldwide, which provides lenders sufficient information to rank enterprises, improve their position and credibility in the international market.
- IFRS application helps enterprises enhance their responsibility and reduce frauds in financial statements.

Apart from the benefits, applying IFRS in Vietnam will certainly create many challenges. Difficulties from the opinions of experts include:

- Expensive cost in the first period of preparing IFRS financial statements because businesses usually have to hire consultants as the internal staff often do not have enough knowledge about IFRS; the costs of recruiting, training and developing IFRS personnel; costs of building and maintaining the IT system for the purpose of preparing IFRS financial statements.
- Language barrier is also a challenge because Vietnam have to convert all IFRS from English to Vietnamese, it may be difficult to explain the similarity of the terms and concepts.

- As IFRS allows many judgments to be done instead of complying with principles such as the current VAS, the professional ethics issues of accountants when disclosing information requires more honesty.

The study also presents that Vietnamese experts have had some preparation for IFRS: learning information through books and magazines, attending training courses, exchanging with friends. According to the assessment of experts on applying IFRS in Vietnam, it is advised that the government apply partially and apply to public companies. Experts also indicate that Vietnam will apply IFRS in the near future (about 3 to 5 years). The research results will provide useful and reliable information for the Ministry of Finance on the application of IFRS in Vietnam through 23 in-depth interviews and a survey of 92 experts who are researchers, university lecturers, business managers, state managers, chief accountants, and auditing managers of large auditing companies. From the challenges mentioned above, the interviewed units also propose some petitions to the Government, the Ministry of Finance and the state management agencies as follows:

- Strengthening IFRS training for accountants to meet the requirements of preparing and presenting IFRS financial statements. Training through undergraduate programs, short-term training courses.
- Improving the English level of accountants to increase their accessibility and self-learning.
- Issuing legal documents which facilitate the operation of dynamic markets and are compliant with international legal framework.
- Improving professional ethics for accountants to avoid using subjective judging information to falsify the nature of accounting information.
- Developing guidance framework, sharing practical experience and reference materials to IFRS to promote IFRS recognition process in Vietnam. Documents need to be translated in accordance with Vietnamese semantics to help readers easily approach and learn.
- Proposing the Government to build a unified data center nationwide so that enterprises can provide information and exploit and use such general information.
- Proposing the Ministry of Finance to provide guidance on the differences between VAS and IFRS so that enterprises can learn and apply IFRS.
- Proposing that businesses will receive tax incentives if they voluntarily apply IFRS.
- Proposing the Ministry of Finance to support the dissemination and training of IFRS for the whole economy; building a department for technical support for enterprises during the time of pilot IFRS application.
- Legalizing IFRS financial statements instead of VAS financial statements so that enterprises only have to implement one accounting standard system (either VAS or IFRS).
- Incentive mechanisms are necessary for pioneering enterprises in voluntary application.

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