THE APPROPRIATENESS OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IFRSs TO VIETNAM

Doaa Abdel Rehim Mohamed Aly

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Doaa Abdel Rehim Mohamed Aly (•)
Faculty of Commerce - Helwan University
Ngoc Bich Nguyen
University of Gloucestershire

ABSTRACT

This study aims to critically evaluate the appropriateness of International Financial Reporting Standards (IFRSs) to Vietnam by examining the extent of Vietnam's experiment with IFRSs, advantages and disadvantages of adopting IFRSs to Vietnam, factors influencing the extent of adopting IFRSs in Vietnam, and different stakeholders' views regarding the adoption of IFRSs in Vietnam. Semi-structured interviews with key preparers and users of accounting standards in Vietnam are conducted to collect empirical data. The study concludes that overall IFRSs are perceived to be relevant to Vietnam, but the current national environment of Vietnam is not ready for full IFRSs adoption. Therefore, Vietnam should gradually converge its accounting system towards IFRSs and step by step adapt its legal, socioeconomic system in conformity with IFRSs requirements before fully implementing IFRSs. The rate of IFRSs adoption in Vietnam will depend on the level of economic development; the level of accounting education and training; the features of Vietnam's accounting legislation; and influence from the government.

(•) Corresponding author.
E-mail address: doaa_m@hotmail.com

1- INTRODUCTION

Over the past two decades, widespread trends in globalisation, which are accompanied by the robust development of the international capital market, the emergence of cross-listed companies and multinationals, and the increasing internationalisation of investment activities (Ding et al., 2005), have raised an urgent need for "a coherent set of accounting standards and practices that provide national and international decision makers with a relatively homogenous information product that is comparable and reliable' (Zeghal & Mhedhbi, 2006, p. 374). To arrive at the objective of a high-quality single universal set of accounting standards, the International Accounting Standards Board (IASB) has promulgated IFRSs, which have become the reference for accounting standard setting in many countries [(1)]

However, available evidence from extant literature on IFRSs adoption is contradictory. On the one hand, the adoption of IFRSs is believed to enhance the transparency, understandability, and comparability of financial reporting across national boundaries.
(Wahlen et.al., 2000; Tarca, 2004; Greenwood & Eyles, 2005); and help avoid duplicative costs of following both national and international standards (Ampofo & Sellani, 2005). On the other hand, a number of problems in practice associated with IFRSs adoption have been indicated, including the independence of the IASB as the international accounting standard-setter (Chua & Taylor, 2008; Kenny & Larson, 1993; Carins, 1997; Flower, 1998; Nobes, 1998; Alexander & Archer, 2000; Nobes, 2003; Ciesielski, 2008), the quality of IFRSs as a regulatory system (Goeltz, 1991; Herz, 2003; Maines, 2007; Carmona & Trombetta,

([1]) IFRSs have been applied in over 100 countries (IASB, 2009); particularly the EU members and Australia have adopted IFRSs in place of national accounting standards as from January 2005 (Lange & Howieson, 2006). Other large economies, such as Japan, Canada, and China, have pledged to converge with IFRSs (KPMG, 2006). BOD et al. (2003) observes the implementation of IFRSs by most major countries around the world, along with globalisation trends, would motivate the remaining countries to look to IFRSs for guidance in the future.

2008; Schacht, 2009; Street & Larson, 2004), the obstacles related to national translation of IFRSs (Carlson, 1997; BOD et al., 2003; Abd- Elsalam & Weetman, 2003; Alp & Ustundag, 2009), the cost of convergence (Carmona & Trombetta, 2008), and the resistance to change (Holgate, 2007; Nobes & Parker, 2008).

This paper presents the result of an initial exploratory study on the relevance of IFRSs to a particular country, Vietnam. The growing importance of the global accounting convergence, along with the country's needs for high-quality accounting standards to come up with the increasingly internationalised business environment, has raised a debate among standard- setters and corporations in Vietnam about whether or not to switch from the national accounting standards into IFRSs.

Consequently, there is a need to evaluate the approriateness of IFRSs to Vietnam in order to arrive at a decision on whether to adopt IFRSs and the timeliness of IFRSs implementation in the country. In response to this need, this paper seeks to examine the extent of Vietnam's experiment with IFRSs, the advantages and disadvantages of adopting IFRSs to Vietnam, factors influencing the extent of adopting IFRSs in Vietnam, and different stakeholders' views regarding IFRSs adoption in Vietnam. The result of this study may have wider significance, giving certain implications for other similar developing countries that are0 considering the adoption of IFRSs.

The theoretical framework of this study is based on the Chamisa (1994) four-factor model of IFRSs relevance. Primary data are collected through semi-structured interviews with key preparers and users of accounting standards in Vietnam

The remainder of the paper proceeds as follows. The next section reviews existing literature to achieve a priori expectation about the appropriateness of IFRSs to Vietnam. This is followed by the explication of the research methods. The latter section displays and discusses main findings of the empirical study. The last section draws conclusions on the appropriateness of IFRSs to Vietnam, recognises the limitations of this paper and offers recommendations for future research.

2. LITERATURE REVIEW

2.1. The Chamisa (1994) four-factor model of IFRSs relevance

Several empirical studies have dealt with issues of IFRSs implementation in developing economies, using case studies of specific countries such as Botswana and Zimbabwe (Chamisa, 1994), Hungary (Boross et al.,1995), Egypt (Abd-Elsalam, 1999; Abd- Elsalam & Weetman, 2003), Zimbabwe (Chamisa, 2000), Bahrain (Joshi & Ramadhan, 2002), Czech Republic (Sucher & Jindrichovska, 2004), Thailand (Dhasanapongsakul, 2004), South Africa and Mexico (Prather- Kinsey, 2006), Kazakhstan (Tyrrall et.al., 2007), China (Ding & Su, 2008), and Turkey (Alp & Ustundag, 2009). However, these studies, which all seek to generalise conclusions from case studies of one or two particular developing countries, suffer from the limitation of bias., This is because developing countries are not a homogeneous group; they are diverse in national environments and accounting needs (Dhasanapongsakul, 2004).

As a result of divergent environments among studied countries, empirical research on the relevance of IFRSs to developing countries has reported inconsistent results. For example, whereas several studies reports the complexity of IFRSs, potential knowledge shortfall of accounting staff with respect to IFRSs, and national translation of IFRSs as underlying problems faced by developing countries (e.g. Sucher & Jindrichovska, 2004; Ding & Su, 2008; Alp & Ustundag, 2009; Tyrrall et.al., 2007) , the Joshi & Ramadhan (2002) study of IFRSs adoption in Bahrain finds no major difficulty in adopting or interpreting IFRSs.

Conflicting results among previous empirical studies implies different developing countries tend to response differently to IASs/IFRSs adoption. Therefore, it seems important to explore ‘When and where” IFRSs are relevant to developing countries rather than “whether or not” IFRSs are relevant to developing countries. In other words, the core issue should be to identify what factors characterise a developing country with favourable/unfavourable conditions for IFRSs adoption. The Chamisa (1994) four-factor model of IFRSs relevance, which has been employed by many researchers (e.g.

Chamisa 1994, 2000; Tyrrall et.al., 2007) for assessing the appropriateness of IFRSs to a particular country, suggests four general factors determining the extent of IFRSs adoption by developing countries as follows

2-1-1 The accounting- needs factor

It is stated by Chamisa (1994, p. 272) that "when developing countries adopt the IASC standards as national standards, the primary objective is not to achieve international accounting harmonization, but to meet their needs for appropriate accounting and reporting standards. Most developing countries rely considerably upon inflows of foreign investment to finance the economy. Therefore, in these countries, there is a high need for financial accounting and reporting standards that can provide investors with high-quality information. However, many developing countries do not have the capacity to develop their own accounting standards due to shortage of financial resource and manpower (Chamisa, 1994).

Institutional theory, as discussed in sub-section 2.2, suggests when a country is uncertain about its own accounting system, it tends to follow the accounting standards of developed nations (in this case IFRSs). In this circumstance, the need for transfer of accounting standards from developed countries is broadly supported as being appropriate to the accounting needs of developing countries (Chamisa, 1994),

On the other hand, institutional theory also suggests a country's accounting choice can be influenced by external forces. This means a country may be forced by powerful institutions to adopt a particular set of accounting standards, regardless of whether it is relevant to the country's accounting needs. In, such case, IFRSs are adopted by developing countries only to the extent that they do not conflict irreconcilably with the domestic accounting regulations and environments (Chamisa, 1994 and 2000).

2-1-2 Similar-environments factor

Based on the logic that "similar environments will lead to similar accounting objectives and, therefore, similar standards" (Chamisa, 1994, p. 215) and the premise that IFRSs are largely influenced by the national standards of the UK and the US, many authors believe the most likely developing countries to adopt IFRSs are those with an Anglo-American culture (e.g. Chamisa, 1994 and 2000; Tyrrall et al., 2007; Nobes & Parker, 2008)..

2-1-3 The capital-market factor

Existence of the capital market and its features have been highlighted in literature as important variables influencing the extent of LASs/IFRSs adoption by developing countries (e.g. Adhikari & Tondkar, 1992; Chamisa, 1994 and 2000; Zeghal & Mhedhbi, 2006; Prather-Kinsey, 2006; Tyrrall et aL, 2007). This judgement is generally based on the argument that LASs/IFRSs are largely derived from national standards of the US and the UK, two of the world's most advanced and developed capital markets (Chamisa, 1994 and 2000). IFRSs are, therefore, intended primarily to serve the needs of the capital market (BDO et al., 2003). This explains why IFRSs prove to be irrelevant to communistic developing countries where there are no capital markets.

2-1-4 The private- sector factor

Many researchers have concluded IASs/IFRSs are particularly relevant to capitalistic developing countries where the private sectors dominate the economy (Chamisa, 1994 and 2000; Nobes & Parker, 2008). One of their arguments is derived from the notion that IFRSs are currently aimed at listed private-sector rather than public-sector entities (Tyrrall et al., 2007)...

2-2 Applicability of the Chamisa (1994) four-factor model of IFRSs relevance to Vietnam and a priori expectation with respect to the appropriateness of IFRSs to Vietnam

2-2-1 The accounting-needs factor

Vietnam has been mentioned as "the second most rapidly developing market in the world, secondly only to China" (IAV 2009, p. 1), with remarkably high GDP growth rates of above 7% on average since 2000 (GSO, 2007a). With the impressive economic growth, Vietnam has become one of the most attractive FDI nations (2). Therefore, in Vietnam, there is an urgent need for

(2) The contribution of foreign investment to the GDP increased from 13.28% in 2000 to 17.66% in 2007 (GSO, 2007b). The cumulative FDI inflows to Vietnam in 2007 reached over USD 20 billion, increasing by

high-quality financial accounting and reporting standards to come up with the development of the economy and to satisfy foreign investors.

However, like many other developing countries, Vietnam does not have sufficient financial and manpower resources to fully develop its own accounting standards. As reported by Deloitte IAS Plus, as of 2006, the MOF temporarily suspended the development of VASs due to resource constraints (Financial Standards Foundation, 2008). In this case, IFRSs adoption seems to be an appropriate choice, which enables Vietnam to approach a high-quality set of accounting standards and save the cost of developing its own national accounting standards at once.

2-2-2 The similar- environments factor

Vietnam is moving from the centrally-planned economy into the market economy, while maintaining a single-party government (Ralston et al, 2006). Consequently, the current Vietnamese economy is a reflection of both the market economy mechanism and the legacy of a centrally planned economy (David & Nguyen, 2003). The state management aspect is still strongly present in every aspect of the Vietnamese economy, inclusive of the accounting system. Accounting standards in Vietnam are issued by the MOF, a state authority rather than a private-sector issuing organisation. The main financial reporting focus in Vietnam is to serve the purpose of state management with a number of standard forms and disclosures being set out for easy compilations and comparatives by state authorities (David & Nguyen, 2003). Vietnamese accountants, working in an environment with a rules- based uniform accounting system and rigid government control, have little training in making professional judgment.

Besides, there are still big gaps in terms of content' between VASs and IFRSs. Deloitte IAS Plus notes that although the VASs are based on IASs/IFRSs, none of the IASB's

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69% over 2006 (Nguyen et al., 2008). As highlighted in the Investment General Objectives 2006-2010, attracting FDI from transnational corporations will be a focus of Vietnam (Foreign Investment Agency, 2009a).

amendments to IASs/IFRSs issued after 2003 have been adopted in Vietnam (Financial Standards Foundation, 2008).

The national characteristics of Vietnam suggest little similar environments basis for the appropriateness of IFRSs to Vietnam for the time being. However, the business environment of Vietnam is becoming more international with rapidly growing inflows and outflows of foreign investment; participation of multinational companies, international economic integration through being a member of the Association of Southeast Asian Nations (ASEAN), the Asia-Pacific Economic Cooperation (APEC), and the World Trade Organisation (WTO). Therefore, although the current Vietnamese national environment provides little support for IFRSs adoption, it might be argued that the future environments to which Vietnam aspires will generate more favourable conditions for IFRSs implementation.

2-2-3 The capital- market factor

The Vietnamese capital market is still young and fledgling (3). The Vietnamese stock market is assessed as under-developed due to lack of developed financial and legal institutions (Ando & Scheela, 2005). Besides, lack of transparency and investment incentives is also reported as hindrances to development of Vietnamese stock market (ibid). An under-developed and badly-organised stock market predicts little appropriateness of IFRSs to Vietnam. However, the remarkable development of the Vietnamese stock market in the past few years has promised more favourable conditions for IFRSs adoption (4).

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(3) HOSE, the first stock exchange in Vietnam, was formed in July 2000 with merely 2 listed companies (HoChiMinh Stock Exchange, 2009). In 2005, the second stock exchange, HASTC (now named HNX) was founded (Hanoi Stock Exchange, 2009).

(4) The number of listed companies has significantly increased from 2 companies in July 2000 to 374 companies at present. Vietnam becomes one of the fastest-growing emerging equity markets in the world, with a compounded annual growth rate of 19% from 2002-2005 (AseanMoney, 2006). In addition, Vietnam's accession to WTO, which is accompanied by liberalisation of the financial sector, provides increased opportunities for foreign investors to participate in Vietnam's market (ibid).

2-2-4 The private- sector factor

The Vietnamese market economy has its own unique feature in that it emphasises on the macro-economic stability through a phased strategy of trade liberalisation without rapid privatisation of state-owned enterprises (Irvin, 1996). Therefore, in Vietnam, the relative size of the private sector is still small compared to that of the state sector [(5)], giving little support for the relevance of IFRSs to Vietnam. However, the recent years have witnessed an upwards trends in private ownership in Vietnam [(6)], suggesting potential favourable conditions for IFRSs adoption in Vietnam in the future.

3. METHODOLOGY

This study employs a qualitative method to collect primary data. Three main justifications are put forwards: (1) Accesses to relevant data are generally difficult to acquire in developing countries, where there is often lack of integrity and transparency in information disclosure. Therefore, in a developing country like Vietnam, high-quality data is difficult to obtain from quantitative questionnaires or surveys. (2) IFRSs are still very new to Vietnamese corporations. Many preparers and users of accounting information in Vietnam have little or no knowledge of IFRSs. There is also a shortage of accounting research relating to the adoption of IFRSs in Vietnam. As a result, it is impossible

([5]) As of 31 December 2006, there were 37323 private enterprises in Vietnam, which was approximately ten times as much as the number of state-owned enterprises. However, most private enterprises in Vietnam are small and medium-sized (GSO, 2007b) and present a relatively small share in the GDP, (around 10%), while the state sector's contribution to the GDP has remained considerably high at above 30% (GSO, 2007a). Whereas the state sector has made up for more than half of the annual average capital, the figure reported for the private sector has been just around 2% (GSO, 2007b).

([6]) Whereas the state sector's contribution to the GDP dropped from 38.52% in 2000 to 36.43% in 2007, the private sector enjoyed a growth from 7.31% to 10.11% respectively (GSO, 2007a). Similarly, while the state sector's share in the annual average capital fell from 67.13% to 51.92% between 2000 and 2006, that of the private sector steadily increase from 1.59% to 2.68% in the same period (GSO, 2007b).

to select a large number of participants for this study. Instead, it is more practical to emphasise on the quality and relevance of the participants rather than sample size. (3) Most importantly, qualitative research with detailed interviewing and observation allows the researchers get closer to individuals' perspectives and obtain more in-depth information.

This study was exploratory in nature - no previous work of this type having been undertaken in Vietnam. A- half- to- one-hour semi-structured interviews were conducted with different stakeholders in Vietnam to collect primary data. Five stakeholder groups: accounting- standards setters, external auditors, accountants, financial traders, and accounting and finance lecturers were mediated. Such .groups of stakeholders were selected because of (a) their representativeness for preparers and users of accounting standards in Vietnam; (b) the authors' ability to approach the selected stakeholder groups for interviews. At least two respondents were sought from each of five stakeholder groups.

Interview appointments were arranged through emails or telephone calls with the respective participants. A summary of the interview themes were emailed or posted at least one week in advance to all interviewees, so that they could be well- prepared for answering interview questions. The authors were resident in the UK, while the target respondents were working in Vietnam. Therefore, interviews were conducted through telephone or via the Internet at the discretion of the respondents. The interview guide (see Appendix A), which outlines topics and sub-topics to be covered, was used to ensure all issues intended for the research were fully addressed in each of the interview sessions. The general background of interviews is presented in Appendix B.

4. PRESENTATION AND DISCUSSION OF FINDINGS

4-1 The extent of Vietnam's experiment with IFRSs

4-1-1 Current level of IFRSs compliance

All interviewees, on the one hand, commented the current VASs were largely based on IFRSs, but on the other hand, they indicated a number of big gaps between the two systems. They asserted there were no effective Vietnamese accounting standards for many IFRS standards, particularly those related to fair value and financial instruments. This finding confirms the conclusion of Deloitte IAS Plus that the current VASs are based on IFRSs issued up until 2003, but none of the IASB's amendments to IFRSs issued after 2003 have been adopted in Vietnam (Financial Standards Foundation, 2008).

Regarding the reasons for not having adopted IFRS standards relating to fair value and financial instruments, the standard setters straight contended these standards were not necessary for Vietnam's current accounting needs due to underdevelopment of the capital market and weak accounting profession in Vietnam. This explanation is in line with the Chamisa (1994) argument suggesting the extent of IFRSs adoption by a developing country is largely dependent on its national accounting needs. Standard setter 02 claimed:

...in Vietnam the stock market is still fledgling, just 9 years-old. Most bonds and stocks are not actively traded on the market. Thin-trading has limited the liquidity of the market, thereby making it difficult to measure fair value. In the context of illiquid capital market, if applying "fair value ", we have to use valuation techniques which are very complex, even for qualified accounting staffs in developed economies. Let's look at our own situation. The average level of accounting technology and accounting knowledge in Vietnam is still low. We have been accustomed to "historical cost" methods; therefore, to switch into something completely new like "fair value " methods, we need time to adapt. It takes time to upgrade technology; train accounting staffs, managers and accounting regulators as well; and most importantly adapt our legislation system... At present, applying '"fair value " in Vietnam will result in confusion of many enterprises while other enterprises might take advantage of legal loopholes to manipulate their financial figures.

The above comment partly support the Belkaoui (2000) argument suggesting the complication of IFRSs and their extensive disclosure requirements may exceed business requirements in developing countries and ability of indigenous accounting staff to operate them.

Although admitting not yet having adopted after-2003

IFRSs, the standard setters confirmed they still continued studying and considering IFRSs, especially issues concerning fair value and financial derivatives, in order to decide when to fully adopt them in Vietnam.

The standard setters also repeatedly affirmed that the Vietnamese accounting system would be oriented closely towards IFRSs. According to standard setter 01, the accounting system in Vietnam will be developed in the direction that “we will immediately fully follow international standards that are perceived to be appropriate to Vietnam, modify standards that are less appropriate, and only formulate national standards when the corresponding international standards are completely inappropriate

These findings provide good reasons to expect the level of IFRSs compliance in Vietnam will follow an upwards trend.

4-1-2 Roadmap for full IFRSs adoption

When asked about the roadmap for IFRSs adoption in Vietnam, most interviewees referred to the Government’s 2006-2020 socio-economic development plan, by 2020 Vietnam would comprehensively and completely integrate with the world in the field of accounting and auditing. However, all respondents, even the standard setters, who were directly in charge of establishing the legal framework for accounting in Vietnam, did not mention a specific roadmap for fully adopting IFRSs.

The standard setters just confirmed Vietnam would fully adopt IFRSs in the future but did not provide a specific roadmap. These findings imply no official roadmap for full IFRSs adoption in Vietnam yet. This means although the Vietnamese accounting system is oriented towards IFRSs, there is still a long way to go to have IFRSs completely adopted in Vietnam.

4-1-3. IFRSs training

When asked about IFRSs training in Vietnam, the auditors, accountants, and lecturers commented that training was very limited at both professional and academic levels. In terms of professional training, these respondents asserted the need for IFRSs training was limited to several large corporations only. In terms of academic training, they unveiled IFRSs had not been officially included in universities’ curriculums. The lecturers contended IFRSs were studied at postgraduate levels only; undergraduate students did not have chances to approach IFRSs from academic perspectives. These findings suggest IFRSs have not been popularised among interested parties in Vietnam, thereby predicting Vietnamese stakeholders' unfamiliarity with IFRSs.

While other respondents claimed not having heard of any official nationwide IFRSs training, the standard setters affirmed that the government was launching a plan to enhance academic training of IFRSs, by which accounting students at all universities and colleges were encouraged to study IFRSs; and universities and colleges were permitted to incorporate and establish joint ventures with foreign educational institutions to provide high-quality training on international accounting standards. These findings imply although the Vietnamese government plans to orient accounting education in the country towards IFRSs, this plan has not been implemented widely.

4.2. Advantages and disadvantages of IFRSs adoption to Vietnam

4-2-1. Advantages

When asked about main advantages for Vietnam to adopt IFRSs, the interviewees identified similar points to those found in the relevant prior literature, including improved financial reporting quality, increased foreign investment, easier access to overseas markets, reduced financial information preparing cost, and saving cost of developing national standards. Besides, a new point was proposed - that is IFRSs helps Vietnam integrate with the world in terms of accounting education. The respondents' views are summarised in Table 4.1.

TABLE 4.1: Advantages of IFRSs adoption

Advantages	Setters (2)	Auditors (3)	Accountants (2)	Traders (2)	Lecturers (2)	Total (11)
- Improve quality of financial reporting	1	3	1	2	2	9
- Facilitate foreign investment and access to overseas markets	2	3	2	2	2	11
- Save cost of preparing financial information	2	2	2	2	2	10
- Cheaper than continuing developing VASs	-	1	1	-	-	2
- Integrate with the world accounting education system	1	-	-	-	2	3

- **Improve quality** of **financial reporting**

The majority of interviewees perceived IFRSs to help improve the quality of financial reporting. Different justifications were put forwards, of which the most frequently- mentioned was IFRSs' ability to increase transparency, comparability, credibility, and understandability of financial statements worldwide. This justification is consistent with those highlighted in previous studies, e.g. Taylor et al. (1986), Murphy (2000), Wahlen et.al. (2000), Tarca (2004) Ampofo & Sellani (2005) and Greenwood & Eyles (2005).

Several respondents indicated the fair value accounting in IFRSs would be more likely to provide true pictures of companies' financial health than the historical cost accounting in VASs. Accountant 02 assessed that historical cost accounting might give companies a chance to manipulate their financial statements. In the same vein, auditor 03 suggested fair value would increase the reliability and update of financial information. He also gave evidences by which companies took advantage of historical cost to manipulate their financial statements and explained how fair value could prevent this:

...although 2008 was a difficult year for the financial market all over the world, most Vietnamese banks still reported huge profit figures. In last months of 2008, the State Bank of Vietnam continuously reduced the interest rate; consequently, the bond market in Vietnam became very "hot", bond yield dramatically increased. Many banks took this opportunity to realise their profits by selling high-yield government bonds. The difference between the current selling price and the historical buying price of the bonds were reported as profits by banks. But the problem is that banks just realised profits, but avoided realising loss. In fact, at the beginning of 2008, banks had to raise long-term capital at very high interest rates; but at the end of the year when the interest rate decreased, such long-term liabilities were not revalued, still being valued at historical cost. Loopholes in our accounting standards and regulations have given banks a chance to manipulate their earnings. If IFRSs had been adopted, both financial assets and liabilities must be revalued; and banks could not have so easily overstated their profits.

Besides, financial trader 01 mentioned IFRSs would provide a better reflection of inflation which was perceived to be inherent in an emerging market like Vietnam. Furthermore, according to accountant 02, IFRSs' emphasis on the exercise of professional adjustments by accountants and auditors would help prevent companies from paying lip service to standards.

-Facilitate foreign investment and access to overseas markets

All interviewees agreed that IFRSs would facilitate foreign investment inflows into Vietnam and provide Vietnamese enterprises with easier access to overseas markets. They gave different explanations for their views, of which the most common was that IFRSs were generally accepted worldwide and perceived to improve the quality of financial reporting; therefore, the adoption of IFRSs would help enhance investors' confidence. This finding strongly supports Belkaoui (2000) and Nobes & Parker (2008), who highlight facilitating foreign investment and access to the global market as a great advantage of IFRSs adoption to developing countries.

- **Save cost of preparing financial information**

All interviewees realised many foreign companies operating in Vietnam and many large Vietnamese corporations which aimed to access foreign stock exchanges or expand overseas had to report under both VASs and IFRSs. Therefore, the majority of interviewees believed full IFRSs adoption in Vietnam would help these companies to save the cost and time associated with having to prepare two sets of financial statements. This comment supports Ampofo & Sellani (2005), who argue a common worldwide accounting language helps avoid duplicative costs of following both national and international standards.

-Cheaper than continuing developing VASs

Auditor 03 and accountant 02 believed IFRSs adoption to be cheaper than developing VASs. Their argument was that "there are no reasons for Vietnam to waste time and effort developing what has been already developed and generally accepted in the world". The remaining respondents, nonetheless, were inclined to disagree that IFRSs adoption was cheaper than developing VASs. Their argument was that in order to apply IFRSs, the legal, socio-economic, and educational systems of Vietnam need to be changed; and the cost of convergence would be enormous. For example, accountant 01 stated:

One common problem for developing countries is lack of knowledge and resources to develop their own accounting standards. Therefore, it seems to be more economical and cheaper for such countries to "borrow" what have been developed elsewhere. However, from my point of view, “borrowing ”, to some extent, does not mean lower costs. In order to fully apply IFRSs, we need to adapt our political, legal, and socio-economic system to IFRSs. The cost of convergence is certainly very huge in terms of training, IT investment, and lengthy time.

Along the same line, lecturer 01 highlighted:

...the Vietnamese accounting system needs to be adapted to IFRSs before IFRSs can be fully adopted in Vietnam. Therefore, it is not justified to say that it is cheaper for Vietnam to adopt IFRSs rather than continue developing VASs. Both adoption of IFRSs and development of the national standards involve their own cost...

Overall, the majority of respondents did not expect IFRSs adoption to be cheaper than developing VASs. This result conflicts with the argument by Nobes & Parker (2008) that it is less costly for developing countries to adopt IFRSs than prepare their own standards.

- Integrate with the world accounting education system

The lecturers and standard setter 01, who worked in an academic environment, highly acknowledge an advantage of IFRSs adoption that had not been mentioned in prior literature - that was facilitating integration with the world accounting education system. They suggested if IFRSs were fully adopted in Vietnam, there would be no longer significant gaps between accounting practices in Vietnam and the international accounting education, and Vietnamese students who had been trained abroad would be welcomed back to Vietnam to work without having to learn the Vietnamese accounting system..

4-2-2 Disadvantages

When asked about disadvantages of IFRSs adoption, the interviewees highlighted numerous problems associated with implementation of IFRSs (see Table 4.2). All interviewees were unanimous about the problems of knowledge shortfall and resistance to change. Other problems, nonetheless, raised conflicting opinions among the interviewees, implying different stakeholders with different roles would have different attitudes towards IFRSs adoption based on their self-interest.

TABLE 4.2: Disadvantages of IFRSs adoption

Disadvantages	Setters (2)	Auditors (3)	Accountants (2)	Traders (2)	Lecturers (2)	Total (11)
* Lack of benefit for SMEs	1	1	1	-	2	5
* Measurement of "fair value"	2	1	1	1	2	7
* Principles-based approach to accounting	-	-	1	1	-	2
* National translation of IFRSs	-	2	1	-	-	3
* Knowledge shortfall	2	3	2	2	2	11
* Cost of convergence	2	3	1	2	2	10
* Resistance to change	2	3	2	2	2	11

- Lack of benefit for small medium enterprises (SMEs)

IFRSs adoption was considered as posing big challenges for SMEs by many interviewees, several of whom even indicated lack of advantages for SMEs to adopt IFRSs. For example, auditor 01 explained:

As for SMEs, whose business scale is limited to the domestic market only, there are no obvious advantages for them to adopt IFRSs. This is because the stock market in Vietnam is still young and fledgling; and Vietnamese investors generally have little knowledge of IFRSs, many investors do not even know what IFRSs are. Therefore, maybe domestic investors are incapable of distinguishing between VASs and IFRSs; they are happy with financial statements complying with the current VASs. This is to say, IFRSs adoption does not very much increase benefits for domestic SMEs.

In the same vein, accountant 01, from the real situation of her company, observed:

..there are not obvious benefits for my company to adopt IFRSs. IFRSs are more appropriate and necessary for large listed companies whose aim is to expand overseas.

We are not a listed company; we are a small company... we don’t need to apply IFRSs. Besides, even if IFRSs were to be adopted, we wouldn’t be capable of applying such standards due to lack of resources and knowledge... I must admit that our knowledge and understanding of IFRSs are still limited. When we don’t understand something, how can we apply it? Another thing is technology. Switching into a new accounting system means having to establish a new IT system, which may consume lots of money, Moreover, I believe investment for an IFRSs-based IT system must be considerably high for SMEs.

These findings support Chamisa (1994) and Nobes & Parker (2008), who argue IFRSs are appropriate to large listed firms rather than SMEs.

- **Measurement of fair value**

All interviewees asserted measurement of fair value is difficult in Vietnam due to underdevelopment of the capital market and weak accounting profession. Most interviewees seemed inclined to oppose applying fair value as they thought it was infeasible in the current context of Vietnam. This result supports BDO et al. (2003), Larson & Street (2004), KPMG (2006), and Alp & Ustundag (2009), who all suggest measurement of fair value will create big challenges for developing countries where the capital market is illiquid.

However, the auditors from Big4, though admitting sometimes having difficulty assessing fair value, proved quite optimistic about feasibility of applying fair value in Vietnam. Auditor 02 believed the rapid growth of the stock market in Vietnam with an increasing number of foreign investors would promise potential favourable conditions for full IFRSs adoption. Auditor 03 asserted the liquidity of the capital market in Vietnam had been considerably improved with the launch of an official market for OTC shares, named UpCoM market (7). Besides, he also found difficulties in measuring fair value tolerable, arguing that "...something that is "true and fair " is generally difficult to obtain... in order to have "true and fair" financial statements, it is necessary to invest time and effort in measuring fair value... "

Similar to auditors 02 and 03, accountant 02, who work in a foreign- owned company, seemed supportive of fair value despite of its complexity. She revealed her company used consulting services of KPMG to sort out fair- value problems.

(7) UpCoM is the market for unlisted public companies in Vietnam. It was put into operation on 24 June 2009.

Overall, the above findings show contradictory attitudes between the auditors from Big4, accountant 02 and the rest of the interviewees. This result can be explained by self-interest theory. An explanation for accountant 02's acceptance of fair value may be that full IFRSs adoption brings substantial benefits for her large cross-border company. Further explanation may be large companies have resources in terms of technology, manpower, and capital and are able to apply complicated accounting standards. The similar attitudes of the auditors from Big4 and accountant 02 may also be an indication of self- interest pursuing. This result supports the Puro (1984) argument that auditors tend to lobby for accounting rules which benefit their large clients, and in the process, benefit themselves as well.

The remaining respondents' objection to fair value is possibly because they find IFRS standards relating to fair value too complicated and difficult to understand.

- Principles- based approach to accounting

Except for financial trader 01, who stated to be unsure about this issue, all respondents believed adapting to IFRSs' principles-based approach would pose big challenges on Vietnamese accounting staffs and regulators who had little training and practice in making professional judgment. This result supports Holgate (2007), who suggests transition toward IFRSs, which is full of principles and judgments, will pose great challenges for countries with existing rules- based accounting systems.

However, only accountant 01 and financial trader 02 seemed opposed to the principles- based approach, maintaining that enforcement by laws was necessary to ensure consistency and credibility of financial reporting. This comment is in line with criticisms of the principles-based approach to accounting cited in existing literature, e.g. Herz (2003), Maines (2007), Carmona & Trombetta (2008), and Schacht (2009).

- National translation of IFRSs

National translation of IFRSs was viewed as a problem by some interviewees. Auditor 02 noted many translators might not have sufficient knowledge of accounting, which resulted in mistranslation. Auditor 03 indicated many accounting and financial terms in IFRSs had no equivalent meaningful words in Vietnamese language. Similarly, accountant 02 mentioned differences in languages as a barrier for Vietnamese accounting staffs to approach IFRSs as many of them did not know English whereas several terms in IFRSs were difficult to translate into Vietnamese. These comments are in line with previous studies, e.g. Carlson, 1997; BOD et al., 2003; Abd- Elsalam & Weetman, 2003; Alp & Ustundag, 2009, which all indicate language as a barrier to IFRSs convergence.

Conversely, the standard setters, though aware of difficulty in translating IFRSs, did not consider it as a significant problem. They revealed using translation service of TAZIR_INTERNATIONAL- SERVICES, a reputable company accredited by the IASB, specialising in translation of international accounting standards into different languages. They also affirmed IFRSs would be translated into Vietnamese in the most professional and accurate way so that there was no need to worry about mistranslation.

-Knowledge shortfall

All respondents regarded knowledge shortfall as a major obstacle to IFRSs implementation. They provided numerous evidences showing accounting staffs, regulators, and investors in Vietnam lack knowledge and skills required for effective implementation of IFRSs: Vietnamese accountants and auditors who had worked in a rules-based accounting system for a long time did not have skills and experience in making professional judgment; Vietnamese accounting staffs who had been so accustomed with historical cost would find fair value too complicated to understand and apply; Vietnamese regulators who traditionally controlled and managed economic activities through rigid sets of laws were unfamiliar with exercising their enforcement in a principles- based system; Vietnamese investors in general lacking even basic knowledge of finance and accounting did not have the habit of using financial information to evaluate companies' performance. This finding supports Holzer & Chandler (1981), Belkaoui (2002), Sucher & Jindrichovska (2004), Tyrrall et.al. (2007), Ding & Su (2008), and Alp & Ustundag (2009), who all report knowledge shortfall as an underlying problem faced by developing countries.

Besides, the majority of respondents asserted lack of knowledge and understanding of IFRSs would give rise to other problems such as high cost of training and strong resistance to change.

-Cost of convergence

Almost all interviewees suggested the cost of convergence with IFRSs would impose a considerably heavy financial burden upon both the government and enterprises in Vietnam, particularly SMEs. Nonetheless, accountant 02, from the experience of her company where IFRSs had been already applied, acknowledged that the cost of convergence with IFRSs, though high, were acceptable compared with the huge benefits it brought about. When asked about the case of SMEs, she recommended:

...the 1ASB has developed particular IFRS for SMEs, which is based on the full IFRSs but simplified to suit the need of SMEs. I think the cost of technology investment and staff training will depends on the size and scale of the company.

However, accountant 01, who worked for a small company, argued that the IFRS for SMEs was inappropriate for Vietnamese SMEs:

...the IASB develops IFRS for SMEs based on the definition of SMEs applied for developed economies. In developed economies, a SME generally has at least around 50 employees and annual revenue of about EURO 10 million. But the situation in a developing country like Vietnam is completely different. The majority of SMEs in Vietnam have only 10 or even less than 10 employees, and less than 5 billion VND (USD 300,000) of capital size. These enterprises try to make the best of their resources to develop business rather than comply with international standards.

The conflicting opinions between accountant 01 and 02 once again support self- interest theory. Based on self-interest theory, it can be deduced that accountant 02 found the cost of convergence acceptable because IFRSs adoption would presumably bring substantial benefits to her large cross-border company; while accountant 01 viewed this cost as a burden due to lack of benefits for a SME like her company to adopt IFRSs

-Resistance to change

Resistance to change was deeply acknowledged by all interviewees as a severe impediment to IFRSs adoption in Vietnam. Some interviewees directly suggested this problem. Others, although not directly mentioning this issue, implied in their responses that it would be difficult to persuade different stakeholders to accept IFRSs. Resistance to change was attributed to limited knowledge of IFRSs, unfamiliarity with IFRSs, and lack of resources to apply IFRSs.

Remarkably, most interviewees asserted that resistance to change would be more difficult to overcome in SMEs and state-owned enterprises. This result can be explained by the Chamisa (1994) and Nobes & Parker (2008) argument that IFRSs are more appropriate to large listed firms rather than SMEs, and that IFRSs are currently aimed at private sectors rather than public sectors. This result also provides support for self-interest theory. SMEs and state-owned enterprises are more resistant to change as IFRSs are perceived less relevant to them, compared to large private listed firms.

4-3 Factors influencing the extent of adopting IFRSs in Vietnam

Regarding factors influencing IFRSs adoption in Vietnam, the interviewees identified a number of internal factors within the country, including the level of economic development; the level of accounting education and training; the features of Vietnam's accounting legislation; and influence from the government (see Table 4.3). However, no external forces were mentioned. Although the respondents disclosed Vietnam, in its process of convergence with IFRSs, needed and had received substantial financial and expertise support from international organisations; they did not mention international organisations as a source of influence. This result implies international organisations have materially supported Vietnam to develop its accounting system without interference in the local accounting policy.

Besides, professional organisations were also not viewed as an influential factor. Most respondents claimed that professional associations in Vietnam were still weak, having no functions in establishing and supervising professional regulations, procedures, and ethics. “It is not a professional organisation in the true sense of the word" said standard setter 02.

TABLE 4.3: Factors influencing the extent of adopting IFRSs

Factors	Setters (2)	Auditors (3)	Accountants (2)	Traders (2)	Lecturers (2)	Total (11)
• Level of economic development	2	2	2	2	2	11
• Accounting education and training	2	2	2	1	2	10
• Accounting legislation	2	3	1	-	-	6
• Governmental influence	2	2	2	1	2	9

Level of economic development

All respondents viewed Vietnam's level of economic development as the first and foremost factor determining the national accounting needs and thereby influencing the extent of adopting IFRSs in the country. In their opinions, the level of economic development would be reflected mainly through the capital market's stage of development and the degree of economic openness. The interviewees noted the high GDP growth, the impressive volume of investment, and the increasing internationalisation of the economy had created favourable economic conditions for Vietnam to integrate with the world accounting system. However, the interviewees highlighted some characteristics of Vietnam's transition economy not favouring IFRSs adoption, of which underdevelopment and illiquidity of the capital market was most highly mentioned. These findings support Adhikari & Tondkar (1992), Chamisa (1994 and 2000), Zeghal & Mhedhbi (2006), Prather- Kinsey (2006), and Tyrrall et al. (2007), who all suggest existence of the capital market and its features as major influential factors over IFRSs adoption.

-Accounting education and training

Most interviewees deeply acknowledged the impracticability to adopt IFRSs without sufficient knowledge and understanding of them. Furthermore, they highly realised knowledge shortfall and lack of qualified accounting staff as major barriers to IFRSs adoption in Vietnam, leading to resistance to change of interested parties. Therefore, it was perceived by most respondents that accounting education and training would play a significant role in improving people's knowledge and understanding of IFRSs, thereby determining the extent of adopting IFRSs in Vietnam. This finding supports Zeghal & Mhedhbi (2006) and Cookes & Wallace, (1990), who indicate education as a major factor influencing the extent of IFRSs adoption in developing countries. The interviewees suggested that in order to successfully applying IFRSs in Vietnam, IFRSs training and education should be conducted intensively and widely at all levels, and to all interested parties. Besides, external auditor 03 highlighted the need to popularise internationally-recognised accounting qualifications among accounting staffs in Vietnam.

As mentioned by several interviewees, at present, Big4 audit firms were main providers of high-quality IFRSs training services in Vietnam; but their service fees were high and only large corporations could afford to pay. Besides, the interviewees also predicted that if fully adopting IFRSs in Vietnam, demand for IFRSs training would exceed supply. This, according to the interviewees, raised the need to call for the support from both the government and international financial organisations to develop IFRSs training and education in Vietnam..

- **Accounting legislation**

The standard setters, auditors, and accountant 02, who had practical experience with IFRSs, viewed legislation as a major factor influencing IFRSs adoption in Vietnam. They highlighted the need for adapting Vietnam's accounting legislative system towards IFRSs' requirements. Auditor 01 pointed out problems with Vietnam's current accounting legislation:

Accounting standards in Vietnam are promulgated in forms of the MOF's Decisions. According to the administration system of Vietnam, MOF's Decisions are considered legal rules, which are compulsory to all enterprises and all types of business. VASs are rules- based standards promulgated along with a number of Circulars for detailed instructions, but sometimes conflicts exist between the standards and circulars, creating difficulties for enterprises in applying. In addition, in Vietnam, financial accounting and tax accounting are not clearly distinguished.

This comment implies that in order to fully adopt IFRSs, Vietnam needs to adjust its accounting legislative system in conformity with IFRSs' principles- based approach to accounting and in a way that there is separation between financial accounting and tax accounting. This comment is consistent with the Chamisa (1994 and 2000) conclusion that IASs/ IFRSs are relevant to countries where "shareholder/fair view" is predominant over "creditor tax/conservative presentation".

- **Governmental influence**

The majority of interviewees highlighted the government's roles in adapting the accounting legislative system of Vietnam towards IFRSs requirements and launching nationwide IFRSs training and education programmes. Remarkably, the standard setters and lecturers directly stressed that the extent to which IFRSs were implemented in Vietnam were largely dependent on the perception of the government. These comments are possibly derived from the fact that accounting standards in Vietnam are still developed and promulgated by the MOF, a governmental body, rather than an independent professional organisation.

Besides, the interviewees who were state accounting officials (the standard setters and auditor 01) revealed that the Vietnamese Government were holding an approving attitude towards IFRSs. This finding suggests an optimistic sign for IFRSs implementation in Vietnam.

4-4 Stakeholders’ views regarding IFRSs adoption in Vietnam

4-4-1 Perceptions on the relevance of IFRSs to Vietnam

When asked to comment on the statement that ‘IFRSs present the desire of the Anglo-American accounting and therefore are not suitable for a communist developing country like Vietnam’, all interviewees strongly disagreed that IFRSs presented the desire of the US and the UK. They all argued IFRSs were developed by leading accounting experts from all over the world, not only the US and the UK. They also claimed IFRSs were promulgated by an independent professional organization, not by a particular government, thereby being independent of political influences. These findings imply that the influence of the US and the UK on IFRSs, which has aroused considerable hostile debate in prior literature (e.g. Kenny & Larson, 1993; Carins, 1997; Flower, 1998; Nobes, 1998; Alexander & Archer, 2000; Nobes, 2003; Ciesielski, 2008), is not a matter of concern to Vietnamese stakeholders and does not affect their perceptions on IFRSs’ relevance to Vietnam.

Most interviewees perceived IFRSs relatively relevant to developing countries generally and Vietnam particularly. They gave different explanations for their views. Standard setter 02 raised a question that “If IFRSs were really irrelevant to developing countries, why do so many developing countries look to IFRSs for guidance?. Auditor 01 argued “If we consider IFRSs as a set of international accounting standards, there should be standards that can be well applied in developing countries". Several respondents pointed to the fact that the current VASs were mainly based on IFRSs to demonstrate that many IFRS standards can be well applied in the context of Vietnam. The auditors from Big4 remarked on rapid growth of the Vietnamese stock market, huge waves of privatisation in Vietnam, and enormous inflows of foreign capital into Vietnam as evidences suggesting that the business environment in Vietnam is becoming increasingly favourable for IFRSs adoption.

4-4-2 Perceptions on fully adopting IFRSs in Vietnam

The majority of respondents were supportive of full IFRSs adoption with the rationale that Vietnam was in the global economy, and thus could not say “no” to global rules, including global accounting standards. The advocates of IFRSs adoption proved optimistic about the prospect of economic development in Vietnam, which was perceived as the most influential factor over the extent of IFRSs adoption. However, all supporters insisted that IFRSs should be implemented gradually, step by step. They perceived that the current context of Vietnam was not yet ready for an immediately full adoption of IFRSs; therefore, they all recommended gradually adapting to IFRSs prior to completely implementing them. Standard setter 01 proposed a three-step process of adopting IFRSs as follows:

...The first step should be carefully studying IFRSs and developing national standards based on IFRSs, making VASs closer to IFRSs. This means we need to get acquaintance with IFRSs first. After being familiar with IFRSs, the next step is to regularly update new aspects of IFRSs, from which add corrections to the national standards. The final step is to fully adopt IFRSs...

Objectors to full IFRSs adoption were accountant 01 working in a small company and financial trader 02 working in a state bank. They argued that different countries, with different national environments, need different accounting standards to suit their own local conditions, so Vietnamese companies should only adopt several IFRS standards selectively in accordance with the national conditions rather than apply full IFRSs. This can be explained by the objectors’ working background and the lack of benefits for their companies to adopt IFRSs. These findings partly support the argument by Chamisa (1994) and Nobes & Parker (2008) that IFRSs are more appropriate to large listed firms rather than SMEs, and that IFRSs are currently aimed at private sectors rather than public sectors.

4-4-3 Perceptions on timeliness of fully adopting IFRSs in Vietnam

When asked about the timeliness of fully adopting IFRSs in Vietnam, most supporters anticipated the timeline around 2020. This forecast was based on the Government’s 2006-2020 socio-economic development plan, by which by 2020 Vietnam would comprehensively and completely integrate with the world in the field of accounting and auditing. However, the respondents did not confirm this timeline; they emphasised this timeline might change depending on the speed and level of socio-economic development in Vietnam. Despite uncertainty about the timeliness of IFRSs adoption, all respondents contended with confidence that there was still a long way to go to get everything ready for full IFRSs adoption. Remarkably, all respondents repeatedly emphasised the need for gradually converging with IFRSs before officially adopting them. This implies the rate of IFRSs adoption in Vietnam will depend on the result of Vietnam’s gradual experiment with IFRSs.

5- CONCLUSION

5-1- General conclusion

Although the current VASs are largely based on IFRSs, there are still no effective Vietnamese accounting standards for many IFRS standards, particularly those related to fair value and financial instruments. This is because underdevelopment of the capital market and weak accounting profession in Vietnam make it infeasible to effectively apply such IFRS standards. Besides, although the Vietnamese accounting system will presumably be oriented closely towards IFRSs, there has been no official roadmap for full IFRSs adoption in Vietnam yet. Regarding IFRSs training, although the Vietnamese government plans to orient accounting education in the country towards IFRSs, this plan has not been implemented widely enough.

Full IFRSs adoption is perceived to bring about both advantages and disadvantages to Vietnam. Advantages from IFRSs adoption include improved financial reporting quality, increased foreign investment, easier access to overseas markets, reduced financial information preparing cost, and integration with the world accounting education. However, it is not expected that full IFRSs adoption will be less costly than developing the national accounting standards. This is because IFRSs cannot be directly applied into the context of Vietnam; in order to adopt IFRSs, the legal, socio-economic, and educational systems of Vietnam needs to change accordingly; and the cost of convergence will be enormous. The most obvious problems associated with IFRSs implementation in Vietnam are related to knowledge shortfall, cost of convergence, and resistance to change. Other problems, including lack of benefits for SMEs, difficulty in measurement of fair value, adapting to the principles- based approach to accounting, and national translation of IFRSs, are still matters of debate. Generally, large companies and international audit firms are more likely to tolerate these problems than SMEs and state- owned companies.

The extent of IFRSs adoption in Vietnam will presumably depend on a number of internal factors, including the level of economic development; the level of accounting education and training; the features of Vietnam's accounting legislation; and influence from the government. However, no external forces are perceived to influence IFRSs adoption in Vietnam, possibly because international organisations have materially supported Vietnam to develop its accounting system without interference in the local accounting policy. Besides, professional organisations also have little influence on IFRSs adoption in Vietnam, because they are not given enough power and resources to become professional organisations in the true sense of the words, having no functions in establishing and supervising professional regulations and rules in Vietnam.

Overall, IFRSs are perceived to be relevant to developing countries generally and Vietnam particularly. Full IFRSs adoption is perceived to be inevitable in Vietnam, as the country is in the global economy, and thus cannot say “no” to the global accounting standards. However, IFRSs, as a common set of international standards, cannot fully match the national contexts of every country, thus each country will have its own problems when implementing IFRSs and have to adapt its socio-economic and legal systems in conformity with IFRSs requirements. Therefore, IFRSs should be implemented in Vietnam gradually, step by step. In other words, there should be a gradual convergence with IFRSs prior to full implementation. First, appropriate policies should be issued to improve liquidity of the capital market and facilitate development of the financial derivative market. Second, IFRSs training and education should be conducted intensively and widely at all levels, and to all interested parties. Third, the accounting legislative system in Vietnam needs to be adjusted in conformity with IFRSs’ principles- based approach to accounting and in a way that there is separation between financial accounting and tax accounting. Finally, the government should give special support in terms of capital, technology, and expertise to SMEs to help them adapt to IFRSs.

5-2- Limitations and further study

This study has several limitations. First, the study seeks to evaluate the appropriateness of IFRSs in a particular developing country - Vietnam; however, developing countries are not a homogeneous group and may vary legally, politically, culturally, socially, and economically (Chamisa, 1994). Therefore, any generalisation to be drawn from this study may not apply to all developing countries. It would be interesting to have comparative studies which seek to compare IFRSs relevance among different countries. Second, conducting qualitative interviews through telephone and via the Internet leads to issues of reduced reliability and trust, where the participants are less willing to engage in exploratory discussion or answer sensitive questions. Third, findings may be different when collected before, during, and after the event. It would be beneficial to conduct a more substantial study prior to IFRSs adoption in Vietnam. Also, future studies will be needed to evaluate the relevance of IFRSs to Vietnam during and after implementation of these standards.

APPENDIX A: Interview guide

Note: As this study adopts semi-structured interviewing, this set of interview questions are used flexibly. This means that some questions may be omitted or additional questions may be added in particular interview sessions. The sequence of the questions and the way of questioning may be changed depending on the flow the conversation.

Q 1: To what extent has Vietnam experimented with IFRSs?

1) Does the Vietnamese Government have a plan to adopt IFRSs? If yes, can you brief about the roadmap for IFRSs implementation in Vietnam?

2) Are there any official IFRSs training programs on the nationwide scale? Are IFRSs included in the universities' curriculum?

Q2: What are the perceived advantages and disadvantages of adopting IFRSs to Vietnam?

3- What will be the main advantages for Vietnam to adopt IFRSs?

4- What will be the main problems associated with implementation of IFRSs in Vietnam?

Q3: What will be main factors influencing the extent of adopting IFRSs in Vietnam ?

5- What will be the main factors influencing the extent of IFRSs adoption in Vietnam?

6- What will be favourable conditions for IFRSs adoption in Vietnam?

7- What will be unfavourable conditions for IFRSs adoption in Vietnam?

Q4: What are different stakeholders ’ views regarding IFRSs adoption in Vietnam?

8- In general, do you support implementation of IFRSs in Vietnam? Why?

9- There is a statement that IFRSs present the desire of the Anglo-American accounting and therefore are not suitable for a communist developing country like Vietnam. What is your opinion?

10- What is your opinion on the timeliness of IFRSs implementation in Vietnam?

APPENDIX B: Interviews’ general background

Interviewees	**Code**	**Working experience**	**Means of interview**	**Duration of interview**
Standard setter 01	01AS	Senior manager of Accounting & Auditing Policy Department - MOF; Vice-chancellor of a university	Telephone	45 minutes
Standard setter 02	02 AS	Senior manager of Accounting & Auditing Policy Department - MOF	Telephone	30 minutes
External auditor 01	01 AU	Senior state auditor	Telephone	60 minutes
External auditor 02	02 AU	Senior auditor in a Big4 audit firm	Telephone	40 minutes
External	03 AU	Senior auditor in a Big4	Telephone	30 minutes

Interviewees	Code	Working experience	Means of interview	Duration of interview
auditor 03		audit firm		
Accountant 01	01 AC	Chief accountant in a small local company	Telephone	30 minutes
Accountant 02	02 AC	Chief accountant in a foreign- owned company	Telephone	30 minutes
Financial trader 01	01 FT	Gold trader in a foreign bank	Internet	30 minutes
Financial trader 02	02 FT	Derivatives trader in a state bank	Internet	40 minutes
Lecturer 01	01 LE	Senior accounting lecturer at university	Telephone	40 minutes
Lecturer 02	02 LE	Finance lecturer at university	Internet	40 minutes

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