Similarities & Differences

A comparison of International Financial Reporting Standards (IFRS) and Vietnamese GAAP

December 2021

Contents

Preface

International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) is rapidly advancing its global position from a set of accounting standards used by investment markets in specific geographic areas such as Europe, to one now used commonly in more than 144 countries and territories around the world.

In contrast, the standard setting body in Vietnam is the Vietnam Ministry of Finance (“MoF”) which has issued 26 Vietnamese Accounting Standards from 2001 to 2005. These Vietnamese Accounting Standards (“VAS”) were primarily based on the old versions of the respective International Accounting Standards (“IAS”) at that time with certain customizations to fit Vietnam’s circumstances. These Vietnamese Accounting Standards have since been supplemented by various guidance in forms of Circulars/Decisions. The latest and most comprehensive accounting guidance in Vietnam is Circular 200/2014/TT-BTC dated 22 December 2014 and its amendments circulars which contains an updated chart of accounts, together with detailed guidance on each specific account, the accounting entries and the preparation and presentation of financial statements. Financial Statements prepared in Vietnam must be prepared in accordance with the Vietnamese Accounting Standards and the applicable accounting regulations. VAS is lacking various updates/developments in IFRS as VAS standards have not been revised/amended since their publications. In addition, VAS has no equivalent standards on financial instruments, fair values and impairment of assets.

In general, while IFRS is based on principles, VAS is mainly rules-based accounting. Accounting application in Vietnam normally requires detailed guidance for the implementation which increases consistency, but may also lead to mismatch between the accounting treatments to specific transactions and their substances. There are also industry-specific accounting guidelines in Vietnam for credit institutions, insurance companies, securities companies, fund managers and funds. Out of these sectors, the accounting guidelines for credit institutions are issued by the State Bank of Vietnam. This publication is aimed at a general comparison between IFRS and VAS which are in issue by December 2021 and does not include the accounting requirements for those mentioned specific industries. This publication also does not include specific Vietnamese accounting guidance for specific State Owned Enterprises (“SOE”) which may be allowed to apply different accounting rules as compared to the common accounting guidance.

The MoF has focused on promoting IFRS adoption in Vietnam. On 16 March 2020, the MoF issued Decision No. 345/QD-BTC approving the scheme for application of IFRS in Viet Nam. The roadmap divides the IFRS implementation into 3 stages:

Stage 1 – IFRS preparation (from 2020 to 2021): The MoF makes necessary preparations for the roadmap implementation in order to support businesses adopting IFRS from 2022 onwards. These preparations include: publishing a Vietnamese translation of IFRS standards, training, building guidelines for IFRS implementation, etc.

Stage 2 – IFRS pilot implementation (from 2022 to 2025): Those companies which have the need and resources may inform the MoF of voluntary adoption to prepare consolidated financial statements including parent companies of state-owned groups, listed companies that are parents within a group of entities and large unlisted public companies and other parent companies. FDI companies may adopt IFRS for their separate financial statements on a voluntary basis, provided that they supply all required information and transparent reports to the authorities about their contributions to the State budget.

Stage 3 – IFRS compulsory implementation (from 2025 onwards): Based on the result of IFRS pilot implementation, the MoF evaluates the demands and readiness of enterprises, relevant law provisions and current conditions to regulate the methods and the compulsory implementation of IFRS financial statements. IFRS will be compulsory for consolidated financial statements of all SOEs, listed companies and large unlisted public companies. Other businesses that operate as parent companies may prepare IFRS consolidated financial statements on a voluntary basis.

Upon applying IFRS, the enterprises must ensure that the financial statements provide all required information and transparent reports to the authorities about their contributions to the State budget. IFRS is expected to bring benefits to businesses including better information transparency and comparability in financial reporting which would then translate into easily providing useful financial information to relevant stakeholders and attracting foreign capital flows.

Important note

This summary is not meant to provide a comprehensive analysis to facilitate in-depth interpretations of VAS/IFRS; instead it is intended to be a general guide to provide a broad understanding of the key differences between VAS and IFRS. Accordingly, the summary should not be used or relied upon as a substitute for reading the relevant VAS or IFRS or for consultation with professional advisors.

List of Acronyms

Acronym	Expansion
IFRS	International Financial Reporting Standard
IFRIC	International Financial Reporting Interpretations Committee
IAS	International Accounting Standard
VAS	Vietnamese Accounting Standard
MoF	Ministry of Finance
SBV	State Bank of Vietnam
Circular 200	Circular No. 200/2014/TT-BTC issued by MoF on 22 December 2014 to provide guidance on corporate accounting system
Circular 202	Circular No. 202/2014/TT-BTC issued by MoF on 22 December 2014 to provide guidance of preparation and presentation of consolidated financial statements
Circular 45	Circular No. 45/2013/TT-BTC issued by MoF on 25 April 2013 on the mechanism of management, use and depreciation of fixed assets
Circular 48	Circular No. 48/2019/TT-BTC issued by MoF on 8 August 2019 to provide guidance of setting up and use of financial provision for decline in value of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at entities
Circular 53	Circular 53/2016/TT-BTC issued by the MoF on 21 March 2016 to provide some amendments to Circular 200 on the corporate accounting mechanism

First-time Adoption of International Financial Reporting Standards

IFRS reference	Section	IFRS	VAS	VAS reference
	First-time Adoption of International Financial Reporting Standards			
		First Time Adoption of International Financial Reporting Standards - IFRS 1	**No equivalent VAS**	
IFRS 1, appendices C & D	**Overview**	An entity moving from national GAAP to IFRS should apply the requirements of IFRS 1. It applies to an entity's first IFRS financial statements and the interim reports presented under IAS 34, 'Interim financial reporting', that are part of that period. It also applies to entities under 'repeated first-time application'. The basic requirement is for full retrospective application of all IFRSs effective at the end of an entity's first IFRS reporting period. However, there are a number of optional exemptions and mandatory exceptions to the requirement for retrospective application. The optional exemptions cover standards for which the IASB considers that retrospective application could prove too difficult or could result in a cost likely to exceed any benefits to users. Any, all or none of the optional exemptions may be applied. The optional exemptions relate to: • Business combination; • share-based payment transactions; • insurance contracts; • deemed cost; • leases; • cumulative translation differences; • investments in subsidiaries, joint ventures and associates; • assets and liabilities of subsidiaries, associates and joint ventures; • compound financial instruments;	No VAS which is equivalent to IFRS 1.	

		● designation of previously recognised financial instruments; ● fair value measurement of financial assets or financial liabilities at initial recognition; ● decommissioning liabilities included in the cost of property, plant and equipment; ● financial assets or intangible assets accounted for in accordance with IFRIC 12 – *Service Concession Arrangements*; ● borrowing costs; ● extinguishing financial liabilities with equity instruments; ● severe hyperinflation; ● joint arrangements; ● stripping costs in the production phase of a surface mine; ● designation of contracts to buy or sell a non-financial item; ● revenue; and ● foreign currency transactions and advance consideration.		
IFRS 1.14 and Appendix B		The mandatory exceptions cover areas in which retrospective application of the IFRS requirements is considered inappropriate. The following exceptions are mandatory, not optional: ● derecognition of financial assets and liabilities; ● hedge accounting; ● non-controlling interests; ● classification and measurement of financial assets; ● embedded derivatives; and ● government loans. Certain reconciliations from previous GAAP to IFRS are also required.		

Preparation of financial statements

Preparation of financial statements

		Presentation of Financial Statements - IAS 1	Presentation of Financial Statements - VAS 21
	Overview	IAS 1 (2007) provides the basis for the presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. IAS 1 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The recognising, measuring, and disclosing specific transactions are addressed in other Standards and Interpretations.	VAS 21 is based on the previous version of IAS 1 (revised 2003). Companies reporting under VAS are also required to apply the VAS chart of accounts and standard financial statements format, prescribed by Circular 200 issued by the MoF in 2014, which are descriptive and inflexible. Therefore, financial statements prepared under VAS may have various classification and presentational differences compared to financial statements prepared under IFRS.
	Key principles	There is no prescribed format for the financial statements but there are minimum presentation and disclosure requirements. The implementation guidance to IAS 1 contains illustrative examples of acceptable formats.	Financial statements are based on the standard VAS financial statement format.
IAS 1.10, 11, 38-38B, 40A-40D		A complete set of financial statements includes: ● a statement of financial position at the end of the period ● a statement of profit or loss and other comprehensive income for the period ● a statement of changes in equity for the period ● a statement of cash flows for the period ● notes, comprising material accounting policies and other explanatory notes ● comparative information in respect of the preceding period.	A complete set of financial statements includes: ● a statement of financial position (balance sheet) at the end of the period ● a statement of income statement ● a statement of cash flows for the period ● notes to financial statements, comprising a summary of

IAS 1.10		● a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements. IAS 1 gives two choices for presenting expenses on the face of financial statements (i.e. profit or loss): either "by nature" or "by function". An entity may use titles for the statements other than those stated above. All of the financial statements in a complete set of financial statements are required to be presented with equal prominence. An entity may present a single statement of profit or loss and other comprehensive income, with profit or loss and other comprehensive income presented in two sections. The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section. An entity may present the profit or loss section in a separate statement of profit or loss. If so, the separate statement of profit or loss shall immediately precede the statement presenting comprehensive income, which shall begin with profit or loss. IAS 1 requires an entity whose financial statements comply with IFRSs to make an explicit and unreserved statement of such compliance in the notes. Financial statements cannot be described as complying with IFRSs unless they comply with all the requirements of IFRSs (which includes International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations).	significant accounting policies and other explanatory notes VAS 21 requires an analysis of changes in equity in the notes to the financial statements rather than as a primary statement. VAS allows only by-function analysis on the face of financial statements and requires an analysis by nature in the notes. Financial statements prepared in accordance with VAS are required to include a statement of compliance with Vietnamese Accounting Standards and Vietnamese Accounting System.	Circular 200, Appendix 2

		Statement of cash flow– IAS 7	Cash flow statements – VAS 24	
	Overview	The statement of cash flows is one of the primary statements in financial reporting (along with the statement of comprehensive income, the statement of financial position and the statement of changes in equity). It presents the generation and use of 'cash and cash equivalents' by category (operating, investing and financing) over a specific period of time. It provides users with a basis to assess the entity's ability to generate and utilise its cash. Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares acquired within a short period of their maturity and with a specified redemption date.	VAS 24 was issued in 2002 based on the IAS 7 version effective at that time and has had no update since then. Whilst the principles of VAS 24 are fairly consistent with the current IAS 7, there is silent guidance on a number of areas including presentation of overdrafts, cash flows from derivatives, and the disclosures on changes in liabilities arising from financial activities. VAS 24 is supplemented by detailed guidance under Circular 200 and Circular 202 (issued by the MoF in 2014) for corporations.	

IAS 7.7-8 IAS 7.31 IAS 7.18	**Key differences**	Bank overdrafts which are repayable on demand form an integral part of an entity's cash management. In these circumstances, bank overdrafts are included as a component of cash and cash equivalents. Cash flows from future contracts, forward contracts, option contracts and swap contracts are classified as investment activities except when the contracts are for trading purpose (which are classified as operating activities) or when a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged. In January 2016, an amendment was made to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. Accordingly, changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.	VAS 24 is silent on these areas. However, under Circular 200, bank overdraft is guided to be presented in cash flows statements in a way similar to bank loans.	Circular 200 – Article 13
		Accounting policies, changes in accounting estimates and errors – IAS 8	**Changes in Accounting Policies, Accounting Estimates and Errors – VAS 29**	
	Overview	IAS 8 prescribes criteria for selecting and applying accounting policies. It also deals with the accounting treatment and disclosure requirements of changes in accounting policies and accounting estimates as well as corrections of prior period errors. The standard aims to improve the relevance, reliability and comparability of financial statements.	VAS 29 was developed from the IAS 8 and therefore it is fairly equivalent to IAS 8.	

IAS 8.10 IAS 8.11 IAS 8.19 IAS 8.30	**Key differences**	In the absence of an IFRS that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is relevant and reliable to the users. In making that judgement, management shall refer to, and consider the applicability of, the following sources in descending order: ● the requirements in IFRS dealing with similar and related issues; and ● the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework. If a change in accounting policy results from the initial application of an IFRS, the change is accounted for in accordance with the specific transitional provisions in that IFRS. In the absence of any specific transitional provisions, the change shall be applied retrospectively. **New/revised standards not yet effective** Standards are normally published in advance of the required implementation date. In the intervening period, where a new/revised standard that is relevant to an entity has been issued but is not yet effective, management discloses this fact. It also provides the known or reasonably estimable information relevant to assessing the impact that the application of the new standard will have on the entity's financial statements in the period of initial application.	No guidance in VAS 29 . If a change in accounting policy is required by a new accounting guidance and if the new accounting guidance does not include specific retrospective requirement, the change in accounting policy is commonly applied prospectively. There is no requirement to disclose new/ revised standards/guidances in VAS when these new/ revised standards/ guidance are not yet effective.	

		Events after the reporting period – IAS 10	Events after the reporting Period – VAS 23	
	Overview	IAS 10 contains requirements for when events after the reporting period should be adjusted in the financial statements. Adjusting events are those that provide evidence of conditions that existed at the end of the reporting period, whereas non-adjusting events are those that are indicative of conditions that arose after the reporting period. Non-adjusting events are required to be disclosed where material.	VAS 23 is based on the previous version of IAS 10.	
IAS 10.5 – 6	**Date of authorisation for issue**	IAS 10 provides guidance on the determination of the date the financial statements are authorized for issue which will vary depending upon the management structure, statutory requirements and procedures to follow in preparing and finalizing the financial statements. In a case when an entity is required to submit its financial statements to its shareholders for approval after the financial statements have been issued, the financial statements are authorised for issue on the date of issue, not the date when shareholders approve the financial statements (generally in the general shareholders meeting). In the case that the management of an entity is required to issue its financial statements to a supervisory board (made up solely of non-executives) for approval. In such cases, the financial statements are authorised for issue when the management authorises them for issue to the supervisory board. In cases of partial announcements, events after the reporting period include all events up to the date when the financial statements are authorised for issue, even if those events occur after the public announcement of profit or of other selected financial information.	VAS is silent on the determination of the date when the financial statements are authorised for issue under different management structures and procedures. VAS 23 specifically states that the issuing date is the date when the head of the reporting entity (or an authorized person) authorizes the issue of the financial statements to outsiders.	VAS 23.3

IAS 10. 9	**Adjusting events after the reporting period**	IAS 10 requires adjustment for profit-sharing or bonus payments which are determined after the reporting period, if the entity had a present legal or constructive obligation at the end of the reporting period to make such payments as a result of events before that date.	VAS 23 has no detailed guidance.	
		The effects of changes in foreign exchange rates – IAS 21	**The Effects of Changes in Foreign Exchange Rates – VAS 10**	
	Overview	IAS 21 provides guidance on how to account for foreign currency transactions and foreign operations in financial statements, and also how to translate financial statements into a presentation currency. An entity is required to determine a functional currency based on the primary economic environment in which it operates and generally records foreign currency transactions using the spot exchange rate to that functional currency on the date of the transaction.	VAS 10 is based on the previous version of IAS 21 (1993), whereas the current IAS 21 was reissued in December 2003 and applies to annual periods beginning on or after 1 January 2005.	

	Key principles	Functional currency: the currency of the primary economic environment in which the entity operates. Presentation currency: the currency in which financial statements are presented.	VAS 10 does not include a requirement to determine 'functional currency'. Instead, Circular 200 gives guidance for accounting currency which is Vietnamese Dong with exceptions.	Circular 200, Article 3
IAS 21.21-22		A foreign currency transaction should be recorded initially at the rate of exchange at the date of the transaction (use of an average rate is permitted if it is a reasonable approximation of the actual rate).	When most of revenues and expenditures are derived in a foreign currency, an entity may use such foreign currency as the accounting currency and has to take legal responsibility for such action and notify its supervisory tax authority. When making a financial statement which is used in Vietnam, the entity must convert the foreign currency into Vietnamese Dong.	Circular 200, Article 4
IAS 21.23		At each subsequent balance sheet date: ● foreign currency monetary items shall be translated using the closing rate ● non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and ● non-monetary items that are measured at fair value in a foreign currency shall be translated at the exchange rate at the date when the fair values were determined.	Circular 200 and Circular 53 provide detailed guidance of using the exchange rates for foreign currency transactions, revaluation ending balances and conversion financial statements prepared in foreign currency. Entities can use buying/selling exchange rates to convert transactions/balances from foreign currencies into the accounting currency depending on the nature of the transactions/balances, or use an approximate exchange rate which is not different than 2% of the average exchange rates.	Circular 200, Article 69 Circular 53, Article 1

		Related party disclosures – IAS 24	Related-party disclosures – VAS 26	
	Overview	IAS 24 requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel.	VAS 26 is based on the previous version of IAS 24 (1994).	
IAS 24.9	**Key principles**	A related party is a person or entity that is related to the entity that is preparing its financial statements, including: (a) A person or a close member of that person's family is related to a reporting entity if that person: o has control or joint control over the reporting entity; o has significant influence over the reporting entity; or o is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if any of the following conditions applies: o The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). o One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). o Both entities are joint ventures of the same third party. o One entity is a joint venture of a third entity and the other entity is an associate of the third entity.	The following amendments to IAS 24 are not incorporated into VAS 26: ● IAS 24 revises and simplifies the definition of a related party. ● The definition of related party which has been expanded to include; o parties with joint control over the entity o joint ventures in which the entity is venture; and o post-employment benefit plans for the benefit of employees of an entity, or of any entity that is a related party to that party; ● Definition of ‘close members of the family of an individual’ ● An entity can disclose that the terms of related party transactions are equivalent to those that prevail in arm’s length transactions only if such terms can be substantiated; ● Exemption from all of the disclosure requirements for transactions between government-related entities and the government, and all other government-related entities. Those disclosures are replaced with a requirement to disclose: o the name of the government and the nature of their relationship; and	

		o The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. o The entity is controlled or jointly controlled by a person identified in (a). o A person has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). o The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity*.	o the nature and amount of any individually-significant transactions; and o the extent of any collectively-significant transactions qualitatively or quantitatively.	
IAS 24.11		In the context of IAS 24, the following are not related parties: ● two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity. ● Two joint venturers simply because they share joint control of a joint venture ● providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process) ● a customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business merely by virtue of the resulting economic dependence.		

	Financial reporting in hyperinflationary economies – IAS 29	No equivalent VAS
Overview	IAS 29 applies to the financial statements, including the consolidated financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. Hyperinflation is indicated by characteristics of the economic environment of a country such as prices, interest rates and wages linked to a price index, and cumulative inflation over three years approaching or exceeding 100 per cent, etc. In a hyperinflationary environment, financial statements, including comparative information, must be expressed in units of the functional currency current as at the end of the reporting period. Restatement to current units of currency is made using the change in a general price index. The gain or loss on the net monetary position shall be included in profit or loss for the period and separately disclosed. An entity must disclose the fact that the financial statements have been restated, the price index used for restatement, and whether the financial statements are prepared on the basis of historical costs or current costs. An entity must measure its results and financial position in its functional currency. However, after restatement, the financial statements may be presented in any currency by translating the results and financial position in accordance with IAS 21.	

		Interim financial reporting – IAS 34	Interim reporting – VAS 27	
	Overview	IAS 34 Interim Financial Reporting applies when an entity prepares an interim financial report, without mandating when an entity should prepare such a report. There is no IFRS requirement for an entity to publish interim financial statements. However, a number of countries either require or recommend their publication, in particular for public companies.	VAS 27 is similar to the current version of IAS 34 except that VAS 27 specifically states that VAS 27 is applicable for entities which are required by law to prepare quarterly financial statements, such as state entities and listed companies, or which voluntarily prepare interim financial statements. Circular 200 specifies types of entities to prepare interim financial statements (including quarterly and semi-annual financial statements), including: ● Entities wholly owned or majority owned by the State; ● Public interest entities.	Circular 200, Article 99
IAS 34.8	**The minimum components in interim financial statements**	The minimum components specified for an interim financial report are: ● a condensed statement of financial position ● a condensed statement or a condensed statement of profit or loss and other comprehensive income ● a condensed statement of changes in equity ● a condensed statement of cash flows ● selected explanatory notes	The minimum components specified for an interim financial report are: ● a condensed balance sheet (statement of financial position) ● a condensed statement of income statement ● a condensed statement of cash flows ● selected explanatory notes to financial statements, included a statement of changes in equity	
IAS 34.23	**Materiality**	In deciding how to recognise, measure, classify, or disclose an item for interim financial reporting purposes, materiality is to be assessed in relation to the interim period financial data, not forecast annual data.	VAS 27 also requires the use of judgement in assessing materiality for financial statements preparation purposes.	VAS 27.20
IAS 34.16A	**Segment reporting**	IAS 34 requires the disclosure of segment information in interim financial statements when the reporting entity is		

	subject to segment reporting under IFRS 8 – *Operating Segments* in its annual financial statements.	VAS 27 is silent on the disclosure of segment information in interim financial statements.
	Operating Segments – IFRS 8	**Segment reporting – VAS 28**
Overview	IFRS 8 – *Operating Segments* replaces IAS 14 - *Segment Reporting* and aligns segment reporting with the requirements of the US GAAP standard. It uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Under IFRS 8, operating segments are components of an entity, identified based on internal reports on each segment that are regularly used by the entity's chief operating decision-maker ("CODM") to allocate resources to the segment and to assess its performance. Operating segments are separately reported if they meet the definition of a reportable segment. A reportable segment is an operating segment or group of operating segments that exceed the quantitative thresholds (10%) set out in the standard in terms of revenue, profit or loss, or assets. An entity may, however, disclose any additional operating segment if it chooses to do so. All reportable segments are required to provide a measure of profit and assets in the format viewed by the CODM, as well as disclosure of the revenue from customers for each group of similar products and services, revenue by geography and dependence on major customers. Other detailed disclosures of performance and resources are required if the CODM reviews these amounts. A reconciliation of the totals of revenue, profit and loss, assets and other material items reviewed by the CODM to the primary financial statements is required.	VAS 28 is based on IAS 14 - Segment Reporting and which has not been amended for the changes as introduced by IFRS 8. Under VAS 28, segments are either reported as primary or secondary segments. Segments are either business or geographical. Presentation of either business or geographical segment as the primary segment depends on which segment provides the predominant source and nature of risks and returns. Reportable segments are also based on a quantitative threshold of 10% in terms of revenue, profit or loss, or assets.

IFRS 8.2 IFRS 8.4 IFRS 8.22(aa)	**Key principles**	IFRS 8 applies to the separate or individual financial statements of an entity (and to the consolidated financial statements of a group with a parent): ● whose debt or equity instruments are traded in a public market or ● that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market However, when both separate and consolidated financial statements for the parent are presented in a single financial report, segment information need be presented only on the basis of the consolidated financial statements. **Disclosure** It is required to disclose the judgements made by management in applying the aggregation criteria to allow two or more operating segments to be aggregated.	VAS 28 applies to entities whose equity or debt securities are publicly traded and by entities that are in the process of issuing equity or debt securities in public securities markets. If an entity whose securities are not publicly traded chooses to disclose segment information voluntarily in financial statements, that entity should comply fully with the requirements of this Standard. If a single financial report contains both consolidated financial statements of an enterprise whose securities are publicly traded and the separate financial statements of the parent or one or more subsidiaries, the segment information needs to be presented in the consolidated financial statements. If a subsidiary is itself an entity whose securities are publicly traded, it will present segment information in its own separate financial report.	VAS 28.04, 06, 07 VAS 28. 06 VAS 28. 07

	Separate financial statements – IAS 27	Guidance on corporate accounting system - Circular 200
Overview	IAS 27 (2011) - *Separate Financial Statements* is the main accounting standard that provides guidance on the preparation of IFRS separate financial statements. IAS 27 is effective from 1 January 2013 and primarily focuses on the recognition and measurement of investments in subsidiaries, joint ventures and associates in separate financial statements. The standard also provides limited guidance on the presentation and preparation of separate financial statements. The recognition and measurement requirements for investments in subsidiaries, joint ventures and associates in separate financial statements are set out in IAS 27. All other aspects of separate financial statements follow the preparation and presentation requirements of IAS 1 for general purpose financial statements and the measurement and disclosure provisions of all relevant IFRSs. Separate financial statements are defined as those presented by an entity in which the entity could elect, subject to the requirements of IAS 27 to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with IFRS 9, or using the equity method as described in IAS 28. IAS 27 does not mandate which entities should produce separate financial statements. An entity might be required by local legislation, or it might elect, to present separate financial statements. If separate financial statements are prepared, IAS 27 should be followed.	Circular 200 provides guidance on the preparation of stand-alone financial statements whereas Circular 202 provides guidance on the preparation of consolidated financial statements. All entities are required to prepare separate (stand-alone) financial statements. Entities with investments in subsidiaries are exempted from the preparation of consolidated financial statements when certain criteria are met. See next section on consolidated financial statements for details.

IAS 27(2011).10	**Key principles**	When an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly ventures are accounted for either: ● at cost, or ● in accordance with IFRS 9 Financial Instruments, or ● using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.	The cost of an investment shall be recorded according to their original cost, including purchase price plus (+) directly-attributable expenses (if any), such as: transactions, brokerage, consultancy, auditing, fees, taxes and bank's fees, etc. In case when an investment is made in the form of a non-monetary asset, the cost of the investment shall be recorded according to the fair value of the non-monetary asset at the time of investment.	Circular 200, Article 40.3
		The entity applies the same accounting for each category of investments. Investments that are accounted for at cost and classified as held for sale in accordance with IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations* are accounted for in accordance with that IFRS. Investments carried at cost should be measured at the lower of their carrying amount and fair value less costs to sell. The measurement of investments accounted for in accordance with IFRS 9 is not changed in such circumstances.	The entity is not allowed to classify investments in subsidiary, joint venture or associate into trading securities, unless when it has liquidated or sold those investments, leading to a loss of control over subsidiary/ joint venture, and cease to have significant influence over associate. When control, joint control, or significant influence are determined as temporary at the date of investment, the investment is presented as other investment or trading securities. Such investments are not allowed to be presented as investments in subsidiaries/joint ventures or associates.	Circular 200, Article 40.7 Circular 200, Article 40.8

		Consolidated financial statements – IFRS 10	Consolidated Financial Statements and Accounting for Investments in Subsidiary – VAS 25 Guidance on the preparation and presentation of consolidated financial statements – Circular 202	
	Overview	IFRS 10 - *Consolidated Financial Statements* prescribes the requirements for the preparation and presentation of consolidated financial statements, requiring entities to consolidate entities it controls. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.	VAS 25 is based on the previous version of IAS 27 which provides guidance on the preparation of consolidated financial statements and the accounting for investment in subsidiaries in the parent's separate financial statements. In addition, Circular 202 gives further guidance on preparation and presentation of consolidated financial statements.	
IFRS 10:B58, IFRS 10:B60	**Key principles**	When assessing whether an investor controls an investee, an investor with decision-making rights determines whether it acts as principal or as an agent of other parties. A number of factors are considered in making this assessment. For instance, the remuneration of the decision-maker is considered in determining whether it is an agent.	Circular 202 does not mention the principal or agent in the context of determining the controls.	
IFRS 10:4(a)		An entity needs not present consolidated financial statements when it meets all the following conditions: - it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements; - its debt or equity instruments are not traded in a public market (a domestic or foreign stock	Circular 202 provides similar conditions as those required under IFRS 10 for the entity to be exempted from the preparation of consolidated financial statements. However, Circular 202 further required that the exempted entity must: - not be a State Owned Enterprise or entity with majority interest from the state; - have the immediate parent company which is preparing consolidated	Circular 202, article 5

		exchange or an over-the-counter market, including local and regional markets); - it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market, and - its ultimate or any intermediate parent produces financial statements available for public use that comply with IFRSs, in which subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with IFRS 10.	financial statements to comply with VAS.	
IFRS 10:31		When an entity meeting a criteria of an investment entity, it is prohibited from preparing consolidated financial statements, instead, it accounts for an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9 - *Financial Instruments*.	VAS 25 and Circular 202 do not provide guidance on investment entities.	
IFRS 10:27		An investment entity is an entity that: ● obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; ● commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and ● measures and evaluates the performance of substantially all of its investments on a fair value basis.		

		Disclosure of interests in other entities – IFRS 12	VAS	
	Overview	IFRS 12 - *Disclosure of Interests in Other Entities* applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The standard requires an entity to disclose information that helps users of its financial statements to evaluate the nature of, risks associated with its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows. Structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.	There is no equivalent VAS standard. However, the disclosures of interests in other entities are guided in Circular 202 where a template of consolidated financial statements is provided which reporting entities have to comply with.	
IFRS 12:5	**Key principles**	IFRS 12 is required to be applied by an entity that has an interest in any of the following: • subsidiaries • joint arrangements (joint operations or joint ventures) • associates • unconsolidated structured entities	Circular 202 is required to be applied by an entity that has the investment in a subsidiary and prepared consolidated financial statements.	Circular 202, Article 1
IFRS 12:6		An investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss presents the disclosures relating to investment entities required by IFRS 12.	Circular 202 does not mention this matter.	
IFRS 12:7		IFRS 12 requires an entity to disclose information about significant judgements and assumptions it has made (and changes in those judgements and assumptions) in determining: ● that it controls another entity	Circular 202 is not required to disclose the significant judgement and assumptions in the investments.	

		• that it has joint control of an arrangement or significant influence over another entity • the type of joint arrangement (i.e. joint operation or joint venture) when the arrangement has been structured through a separate vehicle.			
IFRS 12:14		For consolidated structured entities, IFRS 12 requires the reporting entity to disclose: • the terms of any contractual arrangements that would require the parent or its subsidiaries to provide financial support to a consolidated structured entity, including events or circumstances that could expose the reporting entity to a loss; • Any non-contractual support or current intention to provide support to consolidated structured entities.		Circular 202 is silent on the structured entities and disclosure requirements.	
IFRS 12:24		For unconsolidated structured entities, IFRS 12 requires an entity to disclose information that enables users of its financial statements: (i) to understand the nature and extent of its interests in unconsolidated structured entities; and (ii) to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.			

Revenue recognition

Revenue recognition			
	Revenue – IAS 18 (IAS 18 is superseded by IFRS 15 - *Revenue from Contracts with Customers* effective from 1 January 2018)	**Revenue and Other Income – VAS 14**	
Overview	IAS 18 - *Revenue* prescribes the accounting requirements for when to recognise revenue from the sale of goods, rendering of services, and for interest, royalties and dividends. Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met, which depend on the nature of the revenue.	VAS 14 is based on the previous version of IAS 18. There is no significant difference between IAS 18 and VAS 14. VAS 14 provides a specific guidance on what should be considered as other income. Additionally, Circular 200 gives detailed accounting guidance of revenue recognition for provision of goods, provision of services, revenue recognition of real estates, revenue recognition of the program for traditional customers, etc. A notable change introduced in Circular 200 is related to the revenue recognition for real estates. Circular 200 clarifies that when the entity is a real estate developer, it is not allowed to apply VAS 15 - Construction *contracts,* for the construction progress or advance receipts from customers. Instead, revenue for real estates can only be recognised when all 5 conditions below are satisfied: - The real estate has been completed fully and handed to customer, and risks and rewards attached to the real estate's ownership have been transferred to the customer, - The entity is no longer having the managerial role over the real estate as if	Circular 200, Article 79

			it is the owner or controller of the real estates, - Revenue is reliably estimated - The entity has received or will receive the benefits from the transaction, - Costs associated with the real estate transactions can be determined.	
		Construction contracts – IAS 11 **(**IAS 11 is superseded by IFRS 15 - *Revenue from Contracts with Customers*, effective from 1 January 2018)	**Construction contracts – VAS 15**	
IAS 11.3	**Overview**	IAS 11 is to prescribe the accounting treatment of revenue and costs associated with construction contracts. A construction contract is a contract specifically negotiated for the construction of an asset, or combination of assets, including contracts for the rendering of services directly related to the construction of the asset (such as project managers and architects services). Such contracts are typically fixed-price or cost-plus contracts. Revenue and expenses on construction contracts are recognised using the percentage-of-completion method. This means that revenue, expenses and therefore profit are recognised gradually as contract activity occurs. When the outcome of the contract cannot be estimated reliably, revenue is recognised only to the extent of costs incurred that it is probable will be recovered; contract costs are recognised as an expense as incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.	VAS 15 is based on the previous version of IAS 11. There is no significant difference between IAS 11 and VAS 15, except for the following additional guidance in VAS 15 for the revenue recognition: ● For contracts where contractors are allowed to be paid for the planned milestones, and when the outcome of the construction can be reliably estimated, the entity is allowed to recognise revenue and costs in accordance with the completed works (i.e. percentage of completion) as assessed by the contractor; ● For contracts where contractors are allowed to be paid for work completed and certified by customers, revenue and costs of the construction contract are recognised for the works completed and certified by the customer.	VAS 15. 11

		Revenue from Contracts with Customers – IFRS 15	No equivalent VAS	
IFRS 15:IN7 IFRS 15:7 IFRS 15:C3	**Overview**	IFRS 15, *Revenue from Contracts with Customers* is effective for annual reporting periods beginning on or after 1 January 2018, replacing IAS 11, *Construction* Contract, IAS 18, *Revenues,* and other previous interpretations on revenues. IFRS 15 is based on a principle that revenue is recognised when control of a good or service transfers to the customer – so the notion of control replaces the existing notion of risks and rewards. IFRS 15 requires a five step process to be applied before revenue can be recognised: 1. Identify the contract with a customer, 2. Identify the separate performance obligations in the contract, 3. Determine the transaction price, 4. Allocate the transaction price to each of the separate performance obligations, and 5. Recognise revenue when (or as) each performance obligation is satisfied Key changes to previous revenue recognition practice are: - Any bundled goods or services that are distinct must be separately recognised, and any discounts or debates on the contract price must generally be allocated to separate elements. - Revenues may be recognised earlier than under the previous standards (IAS 11 and IAS 18) if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome, etc.) – minimum amount should be recognised if they are not at significant risk of reversal - The point at which revenue is able to be recognised may shift: some revenue which has previously been recognised at a point in time at the end of a contract may have to be recognised over the terms of the contract and vice versa. - There are new specific rules on licenses, warranties, non-refundable upfront fee, and consignment arrangements	VAS has no standards or guidance which are similar to IFRS 15, and therefore revenue recognition under VAS would continue to follow guidance under VAS 14, *Revenue and other income* and VAS 15, *Construction contracts.* However, there are certain guidance under IFRS 15 which have been included in VAS via guidance provided under Circular 200, including the following: - Revenues on sales transactions which are bundled with free products/services, then revenue should be allocated to the free products/services. - Revenues on real estate sales are not allowed to apply VAS 15, *Construction contract*, but follows the conditions of risks and rewards transfers for sales of goods as guided under VAS 14, *Revenue and other income.* - Revenues on transactions with customers under loyalty programmes where some considerations would need to be deferred to match with the subsequent free goods/services to be delivered. - Revenues on construction contracts to take into account variable considerations.	

Financial instruments

Financial instruments

		Financial instruments: Presentation – IAS 32	No equivalent VAS	
	Overview	IAS 32 establishes principles for presenting financial instruments as financial liabilities or equity, and for offsetting financial assets and financial liabilities. It applies to: • the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; • the classification of related interest, dividends, losses and gains; and • the circumstances in which financial assets and liabilities should be offset. IAS 32 is applied to all types of financial instruments, except for those specifically excluded from their scope.	There is no VAS standard equivalent to IAS 32. However, Circular 200 provides some guidance on the presentation of financial instruments which can be comparable to IAS 32.	
IAS 32.15	**Liabilities and equity**	The issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.		
IAS 32.28	**Compound instruments**	The issuer of a non-derivative financial instrument shall evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component. Such components shall be classified separately as financial liabilities, financial assets or equity instruments	VAS does not have a comprehensive guidance on these compound instruments, therefore instruments would be normally recognised using its legal form. There is only one specific guidance in Circular 200 in which convertible bonds are required to account separately between the liability and equity components.	Circular 200, Article 59
IAS 32.33	**Treasury shares**	If an entity reacquires its own equity instruments, those instruments ('treasury shares') shall be deducted from equity. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members	Circular 200 provides guidance on the accounting for treasury shares. Treasury shares are required to be recorded in a separate account (account 419) which is a deduction from equity. No gain/loss is	Circular 200, Article 67

		of the consolidated group. Consideration paid or received shall be recognised directly in equity.	recognised in the income statement from purchase/sales of treasury share. Circular 202 also provides guidance on treasury shares acquired and held by a subsidiary.	Circular 202, Article 17
IAS 32.35	**Interest, dividends, losses and gains**	Interest, dividends, losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument shall be recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.		
IAS 32.42	**Offsetting a financial asset and a financial liability**	A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity: • currently has a legally enforceable right to set-off the recognised amounts; and • intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.		

		Financial instruments: Disclosures – IFRS 7	No equivalent VAS	
	Scope	IFRS 7 is applied to all types of financial instruments, except for those specifically excluded from their scope. IFRS 7 applies to both recognised and unrecognised financial instruments.	There is no VAS standard equivalent to IFRS 7. However, on 6 November 2009, the MoF issued Circular 210/2009/TT-BTC which requires that entities to disclose financial instruments in accordance with IFRS 7. The requirement is applied for financial years ending from 2011. The requirements in Circular 210 become optional in accordance with Circular 200, which is applicable from financial year commencing on or after 1 January 2015.	Circular 200, Article 128
IFRS 7.6	**Key principles**	When this IFRS requires disclosures by class of financial instrument, an entity shall group financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments. An entity shall provide sufficient information to permit reconciliation to the line items presented in the statement of financial position. IFRS 7 requires entities to provide disclosures that enable users to evaluate: • The significance of financial instruments for the entity's financial position and performance; • The nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks.		

		Financial instrument – IFRS 9	No equivalent VAS	
	Overview	IFRS 9, which replaces IAS 39 from 1 January 2018, establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 addresses the classification, measurement, and derecognition of financial assets and financial liabilities, introduces new rules of hedge accounting and a new impairment model for financial assets. IFRS 9 is applied to all types of financial instruments, except for those specifically excluded from the standard.		
IFRS 9, para 4.1.1, 4.1.2, 4.1.2A	**Classifications and measurements**	IFRS 9 has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVTOCI') and fair value through profit or loss ('FVTPL'). Classification under IFRS 9 for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity. That is, an entity's business model determines whether the cash flows will result from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect, it may be classified as amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVTOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVTPL (for example, derivatives).	Circular 200 provides guidance to group investments (shares and bonds) into different categories, including trading securities, held to maturity securities, investment in subsidiaries, investments in associates and joint ventures, and other long- term investments. However, all of these investments are measured at costs minus provision for diminution in value of the investments at period end.	Circular 200, article 15 (for trading securities), article 16 (for held to maturity securities), article 41 (for investment in subsidiaries), article 42 (for investments in associates and joint ventures), and article 43 (for other long -term investments)

IFRS 9, para 5.7.5		Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss.		
IFRS 9, para 5.5.3; 5.5.5 and 5.5.15 IFRS 9, para 5.5.3; 5.5.5 and 5.5.15	**Expected credit losses**	IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. The ECL model constitutes a change from the guidance in IAS 39. The new rules mean that entities will have to record a day 1 loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). IFRS 9 contains a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The model includes operational simplifications for lease receivables (under IAS 17) and trade receivables or contract assets (IFRS 15).	VAS has not adopted ECL model, instead, provisioning under guidance of Circular 200 is applied, as follows: ● Provision for trade account receivables are based on the overdue status, normally using a preset percentage for each overdue tenue. ● Provision for investment securities are by comparing the carrying value and the market value. ● Provision for the long-term equity investment: provision is made when the investees make losses.	Circular 200, article 45 Circular 200 , article 45
IFRS 9, para 6.4.1	**Hedge accounting**	An entity's risk management strategy is central to the objective of hedge accounting under IFRS 9. However, hedge accounting is an exception to the normal accounting rules, and so some restrictions are necessary to determine whether or not a proposed hedging relationship qualifies for hedge accounting. An entity is only allowed to apply hedge accounting if it meets the specified qualifying criteria, which are as follows: - The hedging relationship consists only of eligible hedging instruments and eligible hedged items.	No guidance for hedge accounting in VAS	

IFRS 9, para 6.4.1		- There is formal designation and documentation of the hedging relationship and risk management objective and strategy at inception of the hedge. - The hedge relationship meets the hedge effectiveness requirements.		
IFRS 9, para 6.3.1 – 6.3.3		Under IAS 39, a hedge must be highly effective, both going forward and in the past (that is, a prospective and retrospective test, with results in the range of 80%-125%). IFRS 9 replaces this bright line with a requirement for an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that the entity actually uses for risk management purposes. Hedge ineffectiveness will continue to be reported in profit or loss (P&L).		
IFRS 9, para 6.2.1 – 6.2.2		IFRS 9 changed what qualifies as a hedged item, primarily removing restrictions under IAS 39 that prevent some economically rational hedging strategies from qualifying for hedge accounting. A hedged item can be a recognised asset or liability, an unrecognised firm commitment, a highly probable forecast transaction or a net investment in a foreign operation. The hedged item can be a single item or a group of items, but it must be reliably measurable.		
IFRS 9, para 6.2.4		Main qualifying hedging instruments under IFRS 9 are: - derivative instruments, including separate embedded derivatives in financial liabilities or non-financial contracts; - non-derivative financial instruments measured at fair value through P&L (FVTPL) (except for financial liabilities designated at FVTPL where changes in fair value as a result of credit risk are presented in OCI); and - the foreign currency component of non-derivative financial instruments (except for equity instruments for which changes in fair value are presented in OCI).		

IFRS 9, para 6.2.5		IFRS 9 allows a proportion (e.g. 50%) but not a time portion (e.g. the first 5 years of cash flows of a 10 year instrument) of a hedging instrument to be designated as the hedging instrument. IFRS 9 also allows only the intrinsic value of an option, or the spot element of a forward to be designated as the hedging instrument. An entity may also exclude the foreign currency basis spread from a designated hedging instrument. IFRS 9 allows combinations of derivatives and non-derivatives to be designated as the hedging instrument.	
	Disclosures	IFRS 9 amends some of the requirements of IFRS 7 - Financial Instruments: Disclosures, including reconciliations from opening to closing amounts of the ECL provision, assumptions and inputs; a reconciliation on transition of the original classification categories under IAS 39 to the new classification categories in IFRS 9; and disclosures about investments in equity instruments designated as at FVTOCI.	
		Fair value – IFRS 13	**No equivalent VAS**
IFRS 13.9	**Overview**	IFRS 13 provides a common framework for measuring fair value when required or permitted by another IFRS. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The key principle is that fair value is the exit price from the perspective of market participants who hold the asset or owe the liability at the measurement date. It is based on the perspective of market participants rather than the entity itself, so fair value is not affected by an entity's intentions towards the asset, liability or equity item that is being fair valued.	Accounting Law No. 88/2015/QH13 set out accounting principles related to fair value, however, no comprehensive guidance on fair value has been issued by the MoF to date.
IFRS 13.B2		A fair value measurement requires management to determine four things: the particular asset or liability that is the subject of the measurement (consistent with its unit of account); the highest and best use for a non-financial asset; the principal (or most advantageous) market; and the valuation technique.	

IFRS 13:76 IFRS 13:81 IFRS 13.82. IFRS 13:86 IFRS 13:87-89	**Fair value hierarchy**	To increase consistency and comparability in fair value measurements and related disclosures, the IFRS establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). - Level 1 inputs: are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date; - Level 2 inputs: are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads; or inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs'). - Level 3 inputs: inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's		

		own data, taking into account all information about market participant assumptions that is reasonably available.		
IFRS 13, 70, 71, B34	**Fair value of traded financial instruments**	When financial instruments are traded in an exchange market, closing prices are both readily available and generally representative of fair value. In a market such as a dealer market, bid and ask prices are typically more readily available than closing prices. The price within the bid-ask spread that is most representative of fair value in the circumstances is used to measure fair value. However, the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements are not precluded.	Circular 200 provides guidance on determination of fair values of exchanged securities as follows: - Listed shares and shares quoted in UPCOM: closing price of the transaction date , or the closing price of the previous trading session adjacent to the exchange date ; - Unquoted shares: fair value is determined at the agreed price or the book values at the date of transaction.	Circular 200, article 15
IFRS 13.62	**Fair value of financial instruments without market prices**	Valuation techniques are required to be used to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.		
	Disclosure	Issuers should provide relevant information to meet the standard’s objective, including when the fair value is determined by third parties; Issuers should provide a description of:: • the valuation technique; • the inputs used (e.g. quantitative info for significant unobservable inputs) – Level 2 and 3; • any changes in the valuation techniques and reasons; • levels of FV hierarchy; • the sensitivity to changes in unobservable inputs; • whether current use differs from its highest and best use.	Circular 200 requires to disclose the fair value of the investments (trading securities and investment in other entities) or to disclose the reason if the entity cannot determine the fair values of investments.	Circular 200, appendices

Employee benefits

	Employee benefits			
		Employee benefits – IAS 19	**No equivalent VAS**	
IAS 19.5 IAS 19. 4 IAS 19.7	**Overview**	This Standard applies to accounting of all types of employee benefits, except those to which IFRS 2 - share based payment applies. Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for termination of employment. Employee benefits include: ● Short-term benefits, such as wages, salaries, holiday pay, sick leave and bonuses expected to be settled within 12 months of the balance sheet date. ● Post-employment benefits, such as pensions and post-retirement medical insurance. ● Long-term benefits, such as long-term incentive plans, long-service awards, holiday pay and bonuses expected to be settled more than 12 months after the balance sheet date. ● Termination benefits, such as redundancy payments. IAS 19 covers all employee benefits, including: ● formal plans or agreements; ● under legislative requirements or industry arrangements; and ● informal practices. Employees include directors and other management personnel. Employees can provide services on a full-time, part-time, permanent, casual or temporary basis.		

IAS 19.11	**Key principles**	The standard establishes the principle that the cost of providing employee benefits should be recognised in the period in which the benefit is earned by the employee, rather than when it is paid or payable, and outlines how each category of employee benefits are measured, providing detailed guidance in particular about post-employment benefits.		
IAS 19.27 IAS 19. 51 IAS 19.52 & 83 IAS 19. 57 & 58		*Short-term benefits:* When an employee has rendered service to an entity during an accounting period, the entity shall recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service: ● as a liability (accrued expense), after deducting any amount already paid; ● as an expense, unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset *Post-employment benefits:* Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans, depending on the economic substance of the plan as derived from its principal terms and conditions.	Circular 200 provides guidance on the accounting for short-term benefits. Employees expenses (including salary, bonus and other services) are recognised on the gross amount in the period when service is rendered.	Circular 200, Article 53
IAS 19.64 IAS19.156 IAS19.165		*Defined contribution plans:* When an employee has rendered service to an entity during a period, the entity shall recognise the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense), after deducting any contribution already paid; or as an expense, unless another IFRS requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using the discount rate such as market yields on government bonds.	Employees and employers are required to make contributions to the social insurance fund being managed by the state from which the employee receives retirement salary upon the retirement age. Social insurance contribution is accounted for in the period of contribution.	Circular 200, Article 53

IAS 19.169		*Defined benefit plans:* Accounting by an entity for defined benefit plans involves the following steps: ● determining the deficit or surplus between the fair value of any plan assets and the present value of the defined benefit obligation. ● determining the amount of the net defined benefit liability (asset) as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling ● determining amounts to be recognised in profit or loss including current service cost, any past service cost and gain or loss on settlement, net interest on the net defined benefit liability (asset) ● determining the remeasurements of the net defined benefit liability (asset), to be recognised in other comprehensive income, comprising: actuarial gains and losses; return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). Where an entity has more than one defined benefit plan, the entity applies these procedures for each material plan separately. An entity shall determine the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period. When an entity has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of the surplus in the defined benefit plan; and the asset ceiling, determined using the discount rate. *Other long-term employee benefits:* An entity shall recognise the net total of the following amounts in profit or loss, except to the extent that another IFRS requires or permits their inclusion in the cost of an asset: ● service cost; ● net interest on the net defined benefit liability (asset); and		

		● re-measurements of the net defined benefit liability (asset)		
		Termination benefits: An entity shall recognise a liability and expense for termination benefits at the earlier of the following dates: ● when the entity can no longer withdraw the offer of those benefits; and ● when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. An entity shall measure termination benefits on initial recognition, and shall measure and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to post-employment benefits, the entity shall apply the requirements for post-employment benefits.	Circular 200 requires that severance allowance is accounted for in accordance with requirement of labour law. In accordance with labour law and law on social insurance, employees are entitled to a half month salary for each year of service for which no contribution is paid to the unemployment social fund managed by the Vietnam Social Insurance Agency.	Circular 200, Article 62
		Retirement benefit plans – IAS 26	**No equivalent VAS**	
	Overview	This Standard shall be applied in the preparation of financial statements of retirement benefit plans where such financial statements are prepared. It outlines the financial statements required and discusses the measurement of various line items, particularly the actuarial present value of promised retirement benefits for defined benefit plans.		

IAS 26.13	**Financial statements of defined contribution plans** **Financial statements of defined benefit plans**	The financial statements of a defined contribution plan shall contain a statement of net assets available for benefits and a description of the funding policy. The financial statements of a defined benefit plan shall contain either: <u>a) statement that shows:</u> - the net assets available for benefits; - the actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits; and - the resulting excess or deficit; or <u>b) statement of net assets available for benefits including either:</u> - a note disclosing the actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits; or - a reference to this information in an accompanying actuarial report.		

		Share-based payment – IFRS 2	No equivalent VAS
	Overview	IFRS 2 requires an entity to recognise share-based payment transactions (such as granted shares, share options, or share appreciation rights) in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.	There is no accounting guidance on share-based payment transactions under VAS. Therefore, accounting treatment may need to be assessed from the assets acquired or services purchased, and normally require specific guidance from the accounting supervisory body.
IFRS 2 App A		A share-based payment arrangement is defined as: “an agreement between the entity (or another group entity or any shareholder of any group entity) and another party (including an employee) that entitles the other party to receive: ● cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity, or ● equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions, if any, are met.”	
IFRS 2.2		IFRS 2 applies to all share-based payment transactions whether or not the entity can identify some of all of the goods and services received, including: - equity-settled share-based payment transactions; - cash-settled share-based payment transactions; and - transactions in which the entity receives or acquires goods or services and the terms of the arrangement provide either the entity or the supplier of those goods or services with a choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments.	
IFRS 2.3A		A share-based payment transaction may be settled by another group entity (or a shareholder of any group entity) on behalf of the entity receiving or acquiring the goods or services. IFRS 2 also applies to an entity that (a) receives goods or services when another entity in the same group (or a shareholder of any group entity) has the obligation to settle the share-based payment transaction, or	

		(b) has an obligation to settle a share-based payment transaction when another entity in the same group receives the goods or services unless the transaction is clearly for a purpose other than payment for goods or services supplied to the entity receiving them.		
IFRS 2.7	**Key principles**	An entity shall recognise the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The entity shall recognise a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction.		
IFRS 2.8		When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognised as expenses.		
		Share based payments are classified as either equity-settled or cash-settled, depending on the terms of the arrangement. The classification determines the accounting for the arrangement.		
IFRS 2.6A		IFRS 2 uses the term 'fair value' in a way that differs in some respects from the definition of fair value in IFRS 13 *Fair Value Measurement*. Therefore, when applying IFRS 2 an entity measures fair value in accordance with IFRS 2, not IFRS 13.		
IFRS 2.19 & 21		Market conditions are taken into account when determining the grant date fair value of the equity instruments granted. They are ignored for the purpose of estimating the number of equity instruments that will vest. In contrast, vesting conditions that are not market conditions are not taken into consideration when determining the grant date fair value of an award. Instead, they are taken into consideration when estimating the number of awards that will vest.		
IFRS 2.10		For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the		

		corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.		
IFRS 2.30		For cash-settled share-based payment transactions, the entity shall measure the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity shall re-measure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.		
IFRS 2.34		For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the entity shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.		
IFRS 2.44		An entity shall disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed during the period.		

Balance sheet and related notes

	Balance sheet and related notes			
		Inventories – IAS 2	**Inventories – VAS 2**	
IAS 2.6	**Overview**	Inventories comprise assets that are: + Held for sale in the ordinary course of business. + In the process of production for such a sale. + In the form of materials or supplies to be consumed in the production process or in the rendering of services	VAS 2 is based on the previous version of IAS 2 and therefore, fairly similar to IAS 2	VAS 02.03
IAS 2.9-12	**Recognition and measurement**	Inventories shall be measured at the lower of cost and net realisable value. The cost of inventories shall comprise all of the following: - costs of purchase comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase., - costs of conversion include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods , and - other costs incurred in bringing the inventories to their present location and condition.	Same in VAS 02	VAS 02.04-05
IAS 2.23-25	**Costing methods**	Inventories are measured using the following method: a. Specific identification of cost method; b. Weighted average method; c. First-in, First-out method	VAS 02 also allows a method of Last in, first out. However, Circular 200 removes this method and only allows three methods same as IAS 2.	VAS 02.13 Circular 200, Article 23

IAS 2.21-2.22	**Costing techniques**	IAS 2 presented two techniques for measurement of cost to be approximate to the actual costing: standard cost method and retail method if the results approximate cost. - Standard cost, if used, was regularly reviewed and revised in the light of current conditions. - Retail method is often used in the retail industry that involves a large number of rapidly changing items with similar margins for which it is impractical to use other costing methods.	VAS did not allow these methods.	
IAS 2.20	**Costs of agricultura produce harvested from biological assets**	Agriculture inventories comprising agricultural produce that an entity has harvested from its biological assets are measured on initial recognition at their fair value less costs to sell at the point of harvest. This is in accordance with IAS 41 – Agriculture.	Circular 200 provides guidance that agricultural produce harvested from biological assets are measured at incurred costs accumulated to the time of harvest.	Circular 200, Article 27
		Income Taxes – IAS 12	**Income Taxes – VAS 17**	
	Overview	IAS 12 specifies the accounting for taxes based on income, comprising current tax and deferred tax.	VAS 17 is based on the previous version of IAS 12.	
IAS 12.5, 12.12	**Key principles**	**Current tax**	Same as IAS 12	VAS 17.03
		Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a current and prior period.	The income tax rate is fixed according to the tax law (except the case that the Company has the tax incentive accepted by tax authority).	VAS 17.33
IAS 12. 46		Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates/laws that have been enacted or substantively enacted by the balance sheet date.		
IAS 12.15(a)		**Recognition of deferred tax liabilities**		VAS 17. 09
IAS 12.15(b) & 39 IAS 12.24		Deferred tax liability is recognised for all taxable temporary differences, except where it arises from: - the initial recognition of goodwill - the initial recognition of an asset/liability in a transaction which is not a business combination and, at the time of the	VAS 17 also requires the recognition of deferred tax liability for all taxable temporary differences with exceptions similar to IAS 12, other than temporary differences arising from a business	VAS 17.25

IAS 12.44		transaction, does not affect either accounting profit or taxable profit (tax loss) - investments in subsidiaries, branches, and associates, and interests in joint arrangements where the parent, investor or venturer is able to control the timing of the reversal of the differences and it is probable that the temporary differences will not reverse in the foreseeable future.	combination and goodwill which are silent in VAS 17. However, circular 202 supplements and requires that deferred tax is recognised for all temporary differences in business combination.	Circular 202, Article 10
IAS 12.37				VAS 17.13
		Recognition of deferred tax assets A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, does not affect accounting profit or taxable profit (tax loss).	VAS 17 also requires the recognition of deferred tax assets for all deductible temporary differences with exceptions similar to IAS 12, but was silent in VAS 17 on temporary differences arising from a business combination. However, circular 202 supplements and requires that deferred tax is recognised for all temporary differences in business combination.	VAS 17.30 Circular 202, Article 10
IAS 12.34		An entity shall recognise a deferred tax assets for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference will be utilised.		
		The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available.	Same in VAS 17	VAS 17.38
		A deferred tax asset is recognised for the carryforward of unused tax losses or unused tax credits to the extent that it is probable that there will be sufficient future taxable profit against which the unused tax losses or unused credits can be utilised.	Same in VAS 17	VAS 17.21

		Others IAS 12 provides detailed guidelines on deferred tax recognition on a number of areas including: - Business Combination - Assets carried at fair value - Goodwill - At initial recognition of an asset or liability - Equity settled share based payments	VAS 17 does not address these detailed guidances	
		Property, plant and equipment – IAS 16	**Tangible fixed assets – VAS 03**	
	Overview	This standard is to prescribe the accounting treatment for property, plant and equipment, including: ● Initial recognition and measurement of property, plant and equipment. ● Measurement subsequent to initial recognition, including the cost and revaluation models. ● Disclosures. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.	VAS 3 is based on the previous version of IAS 16 (amended in 2005)	
IAS 16.7	**Initial recognition**	The cost of an item of property, plant and equipment (PPE) is recognised as an asset if, and only if the cost of the item can be reliably measured and it is probable that future economic benefits associated with the item will flow to the entity.	VAS 03 sets out requirements for the recognition of an asset similar to IAS 16, other than guidance on dismantlement, removal and restoration costs which are silent in VAS 03.	
IAS 16.15 & 16		An item of PPE that qualifies for recognition as an asset shall be measured at its cost. The cost of an item of PPE comprises: - its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. - any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.	In addition, there are subsequent guidance which alter the requirements of VAS 03, including: - Circular 45 requires a minimum capitalisation threshold for a fixed asset of VND30 million. - Circular 200 and VAS 18 give guidance of the estimation of	

		- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.	restoration costs, however VAS 03 does not allow it to be capitalized in the cost of PPE.	
IAS 16.29 & 31	**Measurement after initial recognition**	IAS 16 allows two accounting models: cost model and revaluation model. The selected model should be applied to an entire class of property, plant and equipment. - Cost model: The asset is carried at cost less accumulated depreciation and impairment. - Revaluation model: The asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably.	VAS 3 only allows cost models. The assets are determined according to their historical costs, accumulated depreciation and residual values.	VAS3.13
IAS 16.43	**Depreciation**	IAS 16 requires an entity to determine the depreciation charge separately for each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item.	VAS 3 does not require an entity to clearly set out the depreciation charge for each significant part of PPE.	
IAS 16.50		The depreciable amount of an asset shall be allocated on a systematic basis over its useful life	Same in VAS 3	VAS 3.29
IAS 16.60		The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity	Same in VAS 3	VAS 3.29
IAS 16.62		Depreciation methods are applied consistently from period to period unless there is a change in the expected pattern of consumption of future economic benefit. Depreciation methods shall include: - the straight-line method, - the diminishing balance method, and	Same in VAS 3	VAS 3.32

IAS 16.63	**Impairment**	PPE is subject to impairment assessment. To determine whether an item of property, plant and equipment is impaired, an entity applies IAS 36 - Impairment of Assets. IAS 36 explains how an entity reviews the carrying amount of its assets, how it determines the recoverable amount of an asset, and when it recognises, or reverses the recognition of, an impairment loss.	Impairment/write down of PPE is not allowed under VAS 3 unless there is a re-appraisal according to the State's regulation.	VAS 3. 33
IAS 16.51	**Residual value and useful life**	Under IAS 16, the residual value and useful life is required to be reviewed at least at each financial year-end and if expectations differ from previous estimates, the change(s) shall be accounted for as a change in accounting estimate.	VAS 3 is silent in terms of the review of residual value at each financial year end, whereas it also requires the review of useful life at year end. However, in Circular 45, there are additional guidance on the residual value and useful life: - Circular 45 is silent on residual value and provides guidance that depreciation is the method of allocating the asset's cost over its useful life. This leads to a common practice in Vietnam to set the residual value to be zero. - Circular 45 prescribes a specific range of useful life for each group of assets for entities to follow. Useful lives outside the prescribed ranges are subject to approval of relevant authorities. In addition, change in useful life is allowed only one time for each asset.	

		Lease – IAS 17 (IAS 17 is superseded by IFRS 16 – Leases, effective from 1 January 2019)	**Lease – VAS 6**	
	Overview	IAS 17 Leases prescribes the accounting policies and disclosures applicable to leases, both for lessees and lessors. Leases are required to be classified as either finance leases (which transfer substantially all the risks and rewards incidental to ownership, and give rise to asset and liability recognition by the lessee and a lease receivable by the lessor) and operating leases (which result in expense recognition by the lessee, with the asset remaining recognised by the lessor). IAS 17 was reissued in December 2003 and applies to annual periods beginning on or after 1 January 2005. IAS 17 is to be replaced by IFRS 16 - *Leases* from 1 January 2019.	VAS 6 is fairly similar to IAS 17. There are areas in IAS 17 which are silent in VAS 6 (see below)	
IAS 17.42	**Manufacturer or dealer lessors**	IAS 17 requires that manufacturers or dealer lessors shall recognise selling profit or loss in the period, in accordance with the policy followed by the entity for outright sales. If artificially low rates of interest are quoted, selling profit shall be restricted to that which would apply if a market rate of interest were charged. Costs incurred by manufacturer or dealer lessors in connection with negotiating and arranging a lease shall be recognised as an expense when the selling profit is recognised. IAS 17 does not define manufacturers or dealer lessors. It is generally accepted to define a manufacturer/dealer lessor as a lessor that either manufactures the leased asset or acquires the leased asset as part of its dealing activities. The difference as compared to a ‘normal’ lessor is the cost at which the lessor acquires an asset for lease. The manufacturer/dealer obtains the asset at its cost of manufacture or at a wholesale price, so its cost will be below a normal selling price to other customers.	VAS 6 is silent in this area.	

IAS 17.15A IAS 17.16	**Lease of land**	When a lease includes both land and buildings elements, an entity assesses the classification of each element as a finance or an operating lease separately. In determining whether the land element is an operating or a finance lease, an important consideration is that land normally has an indefinite economic life. Whenever necessary in order to classify and account for a lease of land and buildings, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and buildings element of the lease at the inception of the lease. If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.	VAS 6 is silent on the lease of land. As the market practice, in Circular 45, land lease (land use right) is accounted separately from building. The prepaid land use right is recognised as an intangible asset when the lease is before the effective date of land law 2003 (i.e. 1 July 2004) and the land lease is granted with land use right certificate. Failing these conditions, payments to acquire land use rights are recognised as prepaid expenses and allocated to income statements over the prepaid lease term.	 Circular 45, Article 4.2.đ
		Lease accounting – IFRS 16	**No equivalent VAS**	
IFRS 16 App A	**Overview**	IFRS 16 – *Leases* was published on 13 January 2016, and replaces IAS 17, IFRIC 4 and SIC-15 from 1 January 2019. IFRS 16 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Under IFRS 16 lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. This is a significant change compared to IAS 17 under which lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 contains an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. In the income statement lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement the part of the lease payments that reflects interest on the lease liability can be presented as an operating cash flow (if it is the entity's policy to present interest payments as operating cash flows). Cash payments for the principal portion of the lease liability are classified within financing activities. Payments for short-term leases, for	There is no equivalent VAS to IFRS 16, please refer to the above section for the comparison IAS 17 and VAS 6.	

		leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.		
IFRS 16.9	**Identifying a lease**	IFRS 16 defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.	According to VAS 06, a lease means an agreement between the lessor and the lessee whereby the lessor transfers the right to use an asset to the lessee for a certain period of time in return for a lease payment made in a lump sum or installments.	VAS 6.3
IFRS 16.22	**Accounting by lessees**	Under IFRS 16 lessees have to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for almost all lease contracts. This is a significant change compared to IAS 17 under which lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 contains an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.	VAS 06 requires leases to be classified as either finance leases (which transfer substantially all the risks and rewards incidental to ownership, and give rise to asset and liability recognition by the lessee and a lease receivable by the lessor) and operating leases (which result in expense recognition by the lessee, with the asset remaining recognised by the lessor).	
IFRS 16.24		The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.	Where a lease is classified as a finance lease, the finance lease asset and the finance lease liability are recognised at the same amount equal to the fair value of the leased asset at the inception of the lease or present value of the minimum rent payment, whichever is less. Addition to the historical cost of finance lease assets is only recognised for direct costs related to finance lease activities, such as contract negotiation and signing expenses.	VAS6. 13 and VAS6. 15
IFRS 16.29, 34, 35		After lease commencement, a lessee shall measure the right-of-use asset using a cost model, unless:	A finance lease will incur a depreciation expense and a finance	VAS6. 17

		i) the right-of-use asset is an investment property and the lessee fair values its investment property under IAS 40; or ii) the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued.	expense for each accounting period, no fair value allowed.	
IFRS 16.27		Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability and are initially measured using the index or rate as at the commencement date. Amounts expected to be payable by the lessee under residual value guarantees are also included.	Additional rent (part of the rent payment, but not fixed and determined on something other than time, e.g. percentage (%) of sales, usage, price index, market interest rate) is recognised as an expense during the period to the lessee, and is recognised as revenue during the period to the lessor	VAS6.3 VAS6.38 VAS6.40
IFRS 16.36		The lease liability is subsequently remeasured to reflect changes in: the lease term (using a revised discount rate); the assessment of a purchase option (using a revised discount rate); the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate).	VAS6 does not mention subsequent remeasurement for lease liability under an finance lease agreement.	
IFRS 16.39 IFRS 16.36		The remeasurements are treated as adjustments to the right-of-use asset. Lease modifications may also prompt remeasurement of the lease liability unless they are to be treated as separate leases.	VAS6 does not mention the modification of lease.	
IFRS 16:46A, 46B		A lessee may elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that applies the exemption accounts for COVID-19-related rent concessions as if they were not lease modifications.		
IFRS 16.61 IFRS 16.62	**Accounting by lessors**	Lessors shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.	There is no significant difference between IFRS 16 and IAS 17 or VAS 06 for the accounting for lessors.	

IFRS 16.67		Upon lease commencement, a lessor shall recognise assets held under a finance lease as a receivable at an amount equal to the net investment in the lease.		
IFRS 16.75		A lessor recognises finance income over the lease term of a finance lease, based on a pattern reflecting a constant periodic rate of return on the net investment.		
IFRS 16.81		A lessor recognises operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis.		
IFRS 16.99	**Sale and leaseback transactions**	To determine whether the transfer of an asset is accounted for as a sale an entity applies the requirements of IFRS 15 for determining when a performance obligation is satisfied.	VAS6 based on the IAS17 to determine sale and leaseback transactions.	
IFRS 16.100		If an asset transfer satisfies IFRS 15's requirements to be accounted for as a sale the seller measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right of use retained. Accordingly, the seller only recognises the amount of gain or loss that relates to the rights transferred to the buyer.		
IFRS 16.101		If the fair value of the sale consideration does not equal the asset's fair value, or if the lease payments are not market rates, the sales proceeds are adjusted to fair value, either by accounting for prepayments or additional financing.	The accounting method applied to asset sale and leaseback transactions depends on the type of lease.	VAS6. 31-37
		Impairment of assets – IAS 36	**No equivalent VAS**	
IAS 36.1 IAS 36.2	**Overview**	The objective of IAS 36 - *Impairment of Assets* is to prescribe the procedures that an entity applies to ensure that its assets are carried at no more than their recoverable amount. IAS 36 applies to the impairment of all assets, unless those specifically excluded from the standard's scope as they are in the scope of other standards. Typical assets subject to IAS 36 include:	There is no VAS standard to deal with impairment of fixed assets. However, in certain accounting guidance by the MoF, the term "impairment" has been used, but there is lacking clarity and application to determine impairment loss, for instance, in Circular 200 , investment properties held for price appreciation are not allowed to be	Circular 200, Article 38

		- land - buildings - machinery and equipment - investment property carried at cost - intangible assets - goodwill - investments in subsidiaries, associates, and joint ventures carried at cost - assets carried at revalued amounts under IAS 16 and IAS 38	depreciated, but assessed for impairment.	
IAS 36.8	**Basic principles**	An asset cannot be carried in the balance sheet at more than its recoverable amount. An impairment review compares the asset's recoverable amount with its carrying value. If the recoverable amount is lower, the asset is impaired and should be written down to the recoverable amount.		
IAS 36.6.		The recoverable amount of an asset or a cash-generating unit is the higher of: - its fair value less costs of disposal (measured in accordance with IFRS 13); and - its value in use (the present value of the future cash flows that are expected to be derived from the asset or cash-generating unit).		
IAS 36.9 IAS 36.12		All assets within IAS 36 scope are tested for impairment where there is an impairment indicator. Impairment indicators include both external indicators (for example, significant adverse changes in the technological, market, economic or legal environment or increases in market interest rates) and internal indicators (for example, evidence of obsolescence or physical damage of an asset or evidence from internal reporting that the economic performance of an asset is, or will be, worse than expected).		
IAS 36.10		Goodwill, indefinite life intangible assets and intangible assets that are not yet ready for use are required to test for impairment annually regardless of whether or not there is an impairment indicator.		
IAS 36.66		If there is any indication that an asset may be impaired, a recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall		

IAS 36.68		determine the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit (CGU)). An asset's CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.		
		Provisions, Contingent Liabilities and Contingent Assets – IAS 37	**Provisions, Contingent Liabilities and Contingent Assets – VAS 18**	
IAS 37.1	**Overview**	IAS 37 - Provisions, Contingent Liabilities and Contingent Assets is applied to the accounting for provisions (liabilities of uncertain timing or amount), contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable) and contingent assets (possible assets).	VAS 18 is based on the previous version of IAS 37, which is fairly similar to IAS 37. However, there are a number of items in IAS 37 which are silent in VAS 18.	
IAS 37.3 IAS 37.5		IAS 37 does not apply to ● executory contracts (contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent) except where the contracts are onerous, and ● those arrangements covered by another standards such as contingent consideration of an acquirer in a business combinations (IFRS 3); revenue from contracts with customers (IFRS 15) (except for contracts with customers that are, or have become, onerous); income taxes (IAS 12); leases (IAS 17) (except for onerous operating leases); employee benefits (IAS 19); and insurance contracts (IFRS 4) (except for provisions, contingent liabilities and contingent assets of an insurer other than those arising from its contractual obligations and rights under insurance contracts within IFRS 4 scope); financial instruments (including guarantees) (IFRS 9).	VAS 18 provides similar exclusions	VAS 18.2-3
IAS 37.14	**Key principles**	A provision is recognised where all of the following conditions are met: An entity has a present obligation (legal or constructive) as a result of a past event, ● It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and ● A reliable estimate can be made of the amount of the obligation. ● If these conditions are not met, no provision shall be recognised.	Same in VAS 18	VAS 18. 11

IAS 37.27 & 28		A contingent liability should not be recognised. It should be disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.	Same in VAS 18	VAS 18. 23
IAS 37.31, 33 & 34		A contingent asset is not recognised. Contingent assets should be disclosed where an inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.	Same in VAS 18	VAS 18.27 – 31
IAS 37.36, 40, 45,47		The amount recognised as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date, that is, the amount that an entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party. Provisions for one-off events (restructuring, environmental clean-up, settlement of a lawsuit) are measured at the most likely amount. The measurements are at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability.	Under Circular 200, provision for restoration costs is recorded as expense. This is the area of accounting estimates which involves the professional judgement so depending on circumstances.	Circular 200 – Article 62
IAS 37.22	**Impact of unenacted law**	IAS 37 provides guidance on determination of obligation under a proposed new law. An obligation arises only when the legislation is virtually certain to be enacted as drafted. Such an obligation is treated as a legal obligation.	VAS 18 is silent on this.	

		Intangible assets – IAS 38	Intangible assets – VAS 04	
IAS 38.8	**Overview**	IAS 38 - Intangible Assets provides accounting requirements for intangible assets, which is an identifiable non-monetary asset without physical substance. The key characteristics of an intangible asset is that it: ● is a resource controlled by the entity from which the entity expects to derive future economic benefits ● lacks physical substance ● is identifiable to be distinguished from goodwill	VAS 4 is based on the previous version of IAS 38	
IAS 38.21	**Recognition**	An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be reliably measured.	VAS 4 requires two additional conditions for intangible asset recognition compared with IAS 38, ie. estimated useful life is more than 1 year and meeting requirements stated in current regulations (minimum historical cost for qualification as fixed assets is VND30 million).	VAS 4.16
IAS 38.24	**Initial measurement**	Intangible assets shall be measured initially at cost.	VAS 4 requires intangible assets to be measured initially at cost.	VAS 4.18
IAS 38.24		For an intangible asset arising from a Government grant, the asset can be initially recognised either at fair value or at nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use.	Under Circular 200, certain expenditures not qualifying as an intangible asset can be deferred in the balance sheet and allocated into income statements over a period of up to three years. These expenditures include: - Entity's establishment costs - Training and advertisement expenses incurred during the pre-operation period - Research expenses - Relocation expenses	Circular 200, Article 37.1.e
IAS 38.72	**Measurement after recognition**	IAS 38 allows the use either cost model or revaluation model after initial recognition.	Under VAS 4, cost model was used only and no impairment loss was recognised.	VAS 4.53
IAS 38.74		Under cost model, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.		

IAS 38.75		Under revaluation model, asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. For the purpose of revaluations under IAS 38, fair value shall be measured by reference to an active market. Revaluations shall be made with such regularity that at the end of the reporting period the carrying amount of the asset does not differ materially from its fair value.		
IAS 38.97		The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation shall cease at the earliest of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognised. The amortisation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used.	VAS 4 allows amortization period up to 20 years	VAS 4.54
IAS 38.88		IAS 38 does not give any limit over the useful life. IAS 38 requires that an entity shall assess whether the useful life of an intangible asset is finite or indefinite and, if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset shall be regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.		
IAS 38.111 IAS 36.10	**Impairment**	IAS 38 requires an entity to perform an impairment test for intangible assets in accordance with IAS 36. Under IAS 36, intangible assets which are subject to annual impairment test include indefinite intangible asset, goodwill, and intangible assets not available for use . Other intangible	Impairment is not allowed under VAS 4	

		assets are tested for impairment when there is an impairment indicator.		
		Investment property – IAS 40	**Investment property – VAS 5**	
IAS 40.2	**Overview**	IAS 40 – *Investment property* provides guidance on the recognition, measurement and disclosure of investment properties.	VAS 5 is based on the previous version of IAS 40. Additionally, Article 39 of Circular 200 gives further accounting guidance for investment property.	
IAS 40.5		Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: • use in the production or supply of goods or services or for administrative purposes; or • sale in the ordinary course of business.		
IAS 40.16	**Key principles**	**Initial recognition** Investment property shall be recognised as an asset when, and only when: - it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and - the cost of the investment property can be measured reliably	Same in VAS 5	VAS 5.13
AS 40.20 IAS 40.30		An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.	Same in VAS 5	VAS 5.15
IAS 40.35		**Measurement after recognition** An entity shall choose as its accounting policy either the fair value model or the cost model and shall apply that policy to all of its investment property.	VAS 5 only allows the cost model. Investment properties are carried out at cost less accumulated depreciation.	VAS 5.22
IAS 40. 56		Under the fair value model, a gain or loss arising from a change in the fair value of investment property shall be recognised in profit or loss for the period in which it arises.	In addition, Circular 200 provides additional guidance for investment properties being held for capital gains. These investment properties are not	Circular 200, Article 39

		Under the cost model, an entity shall measure all of its investment properties in accordance with IAS 16's requirements for that model, i.e. at cost less accumulated depreciation and impairment.	depreciated, but reviewed for impairment losses. In the case there is strong evidence that the cost of investment property is lower than the market value and the impairment loss is reliably measured, the entity has to recognise the impairment loss as cost of sales. However, the entity is not allowed to recognise a gain arising from a change in the market value of investment property. No impairment loss is allowed for investment properties other than those being held for capital gains as mentioned above.	

Investments

	Investments			
		Investments in Associates and Joint Ventures – IAS 28 (2011)	**Investments in Associates – VAS 7 Financial Reporting of Interests in Joint Ventures – VAS 8**	
	Overview	IAS 28 - *Investments in Associates and Joint Ventures* (as amended in 2011) provides guidelines on how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures. IAS 28 (2011) - *Investments in Associates and Joint Ventures* replaces IAS 28 (2003) - *Investments in Associates* from 1 January 2013. IAS 28 - *Investments in Associates and Joint Ventures* (as amended in 2011) are not applied for separate financial statements. Under IAS 27 – *Separate Financial Statements*, an entity can account for investments in subsidiaries, associates, joint ventures in separate financial statements at cost, at fair value in accordance with IFRS 9 or using equity method in accordance with IAS 28 (2011).	VAS 7 - Investments in Associates is based on the previous version of IAS 28 (2003), which provides guidance on the accounting for investments in associates either under equity method or cost method. VAS 8 - *Financial Reporting of Interests in Joint Ventures* is based on the previous version of IAS 31 - *Interests in Joint Ventures* (as revised in 2003), which sets out the accounting for an entity's interests in various forms of joint ventures: jointly controlled operations, jointly controlled assets, and jointly controlled entities either under equity method or cost method. VAS 7 and VAS 8 are applied for both separate financial statements and consolidated financial statements.	
IAS 28.3	**Key principles**	An associate is an entity over which the investor has significant influence. The concept “significant influence” is defined as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.	Same in VAS	VAS 7.3
IAS 28.3		A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.	A joint venture is defined as a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The forms of joint venture include jointly controlled operations, jointly controlled assets and jointly controlled entities.	VAS 8.3
IAS 28.16			Investments in associates and jointly controlled entities are accounted for under cost method in	VAS 7.8 & 9

IAS 28.17		Equity method is required for accounting of investment in an associate or a joint venture, except for the following circumstances: (a) the entity is a parent that is exempt from preparing consolidated financial statements by the scope exception in IFRS 10.4(a)) or if all the following apply: - The entity is a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the entity not applying the equity method. - The entity's debt or equity instruments are not traded in a public market. - The entity did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market. - The ultimate or any intermediate parent of the entity produces consolidated financial statements available for public use that comply with IFRSs	entity's separate financial statements, and under equity method in entity's consolidated financial statements. When the associate/jointly controlled entities is held for sales or is in a long term financial restriction, in this case, the associate/jointly controlled entities is also accounted for at cost in consolidated financial statements.	VAS 8.25, 26 & 28
IAS 28.18		(b) When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure investments in those associates and joint ventures at fair value through profit or loss in accordance with IFRS 9.		
IAS 28.19		(c) When an entity has an investment in an associate, a portion of which is held indirectly through a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the entity may elect to measure that portion of the investment in the associate at fair value through profit or loss in accordance with IFRS 9 regardless of whether the venture capital organization, or the mutual fund, unit trust and similar entities including investment-linked insurance funds, has significant influence over that portion of the investment. If the entity makes that election, the entity shall apply the		

		equity method to any remaining portion of its investment in an associate that is not held through a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds.		
IAS 28.20		Investment or a portion of an investment in an associate/joint venture that meets the held for sale criteria must be classified as non-current asset held for sale in accordance with IFRS 5. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. After the disposal takes place, an entity shall account for any retained interest in the associate or joint venture in accordance with IFRS 9 unless the retained interest continues to be an associate or a joint venture, in which case the entity uses the equity method	Investment in an associate/jointly controlled entity that meets the held for sale is accounted for at cost. Circular 200 requires the assessment of the investment at the date of financial statements and recognise impairment loss.	VAS 7.9 VAS 8.28 Circular 200, article 40
IAS 28.14A		An entity also applies IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.	Not applicable as there is no equivalent VAS to IFRS 9	
		Business combinations – IFRS 3	**Business combinations – VAS 11**	
	Overview	IFRS 3 - *Business Combinations* prescribes the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	VAS 11 is based on IFRS 3. In addition, Circular 202 provides further guidance on preparation and presentation of consolidated financial statements.	

IAS 36.10 and IAS 36.98	**Goodwill**	Under IFRS 3, goodwill is not amortised and is subject to annual impairment review or more frequently if there is an indication of impairment.	Under VAS 11, Goodwill is recognised as an asset and amortised on a systematic basis over its expected useful life, not to exceed 10 years. Under Circular 202, goodwill is amortised over its estimated useful life of no more than 10 years after the date of acquisition and is subject to mandatory annual impairment review. If the impairment of goodwill during the year is higher than the amortisation of that year, the amortisation is recorded following the impairment amount.	VAS 11.53 Circular 200, Article 10
IFRS 3.19	**Non-controlling interest ("NCI")**	Under IFRS 3, the acquirer shall measure at the acquisition date components of NCI on the acquiree on acquisition-by-acquisition basis, either at the NCI's proportionate share of the recognised amounts of acquiree's identifiable net assets or at fair value. If the non-controlling interest is measured at its fair value, goodwill includes amounts attributable to the non-controlling interest. If the non-controlling interest is measured at its proportionate share of the recognised amounts of acquiree's identifiable net assets, goodwill includes only amounts attributable to the controlling interest (that is, the parent).	Only the proportionate interest method is allowed under Circular 202.	Circular 202, Article 21
IFRS 3.58	**Contingent considerations**	Under IFRS 3, contingent consideration is recognised at its fair value at the date of acquisition. The accounting for contingent consideration after the date of acquisition depends on whether it is classified as a liability (contingent consideration is remeasured to fair value at each reporting date and changes in fair value is recognised in profit and loss) or as equity (contingent consideration is not remeasured and its subsequent settlement is accounted for within equity). The classification as either a liability or equity is determined with reference to the guidance in IAS 32.	Under VAS 11, contingent considerations are included in the cost of a business combination at the acquisition date if it is probable that the payment will be made and the payment can be reliably measured. Subsequent changes in the fair value of contingent consideration are adjusted to the cost of the combination and goodwill.	VAS 11.33 & 34

		Non-current Assets Held for Sale and Discontinued Operations – IFRS 5	No equivalent VAS	
	Overview	IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations* prescribes how to account for non-current assets held for sale (or for distribution to owners). In general, assets (or disposal groups) held for sale are not depreciated, are measured at the lower of carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.	There is no equivalent VAS standard. However, in Circular 200, there are some guidance for the accounting of investment property such as investment properties held for price appreciation are not depreciated and a reduction in value of investment properties held for price appreciation is recognised when there is objective evidence of the reduction in the value of investment properties compared to the market price and an allowance can be estimated reliably. Investment property is an asset held for the purpose of selling without having to: - Use in the production, supply of goods or services or use for management purposes; or - Selling in the normal production and business period.	Circular 200, article 39
IFRS 5.6-7	**Criteria for Held-for-sale ("HFS") classification**	An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.		

IFRS 5.12A	**Held for distribution to owners classification**	A non-current asset (or disposal group) is classified as 'held for distribution to owners' where the entity is committed to such distribution (that is, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable). For a distribution to be highly probable, actions to complete the distribution should have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered in the assessment of 'highly probable'.		
IFRS 5.15, 15A, 25 & 38	**Measurement and presentation of HFS**	Non-current assets (or disposal groups) classified as held for sale or as held for distribution are: ● Measured at the lower of the carrying amount and fair value less costs to sell/distribute; ● Not depreciated or amortised; and ● Presented separately in the balance sheet (assets and liabilities should not be offset).	In case the investment property is held for an increase in price, the enterprise does not depreciate it but determines the loss due to a decrease in value.	Circular 200, article 39
IFRS 5.31, 32, 41	**Discontinued operation ("DO")**	A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. In other words, a component of an entity will have been a cash-generating unit or a group of cash-generating units while being held for use. A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and: ● represents a separate major line of business or geographical area of operation;		

		● is part of a single coordinated plan to dispose of a separate major line of business or major geographical area of operation; or ● is a subsidiary acquired exclusively with a view to resale. Discontinued operations are presented separately in the income statement and the cash flow statement. There are additional disclosure requirements in relation to discontinued operations.		
		Joint arrangements – IFRS 11	**Financial Reporting of Interests in Joint Ventures – VAS 08**	
	Overview	IFRS 11 - *Joint Arrangements* prescribes the principles for financial reporting by parties to a joint arrangement. IFRS 11 replaces IAS 31 – *Interests in Joint Ventures* from 1 January 2013. IFRS 11 requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS 11 defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.	VAS 08 – *Financial Reporting of Interests in Joint Ventures* was developed from an earlier version of IAS 31 - *Financial Reporting of Interests in Joint Ventures.* IAS 31 was subsequently renamed to “Interests in Joint Ventures” until it was replaced by IFRS 11 – *Joint Arrangements*. There has been no revision to VAS 08 since the issuance date, but VAS 08 was supplemented by subsequent accounting guidance by the MoF, including Circular 200 .	
IFRS 11:6, IFRS 11:14, IFRS 11:17	**Key principles**	Under IFRS 11, joint arrangement is classified as either joint operation or a joint venture, which depends upon the rights and obligations of the parties to the arrangement. An entity determines the type of joint arrangement in which it is involved by considering its rights and obligations arising from the arrangement. An entity assesses its rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and when relevant, other facts and circumstances.	VAS 8 classified joint venture into three forms: - Jointly controlled operations: involves the use of the assets and other resources of the venturers rather than the establishment of a new entity. Each venturer uses its own assets and resources. The venturer should recognise in its financial statements the assets that it controls, the	VAS 8.05

			liabilities that is its obligation , the expenses that it incurs, and its share of the income from the sale of goods or services by the joint venture.	VAS 8.11
IFRS 11:15		- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.	- Jointly controlled assets: involves the joint control of the assets without the establishment of a new entity. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred.	VAS 8.13
IFRS 11:21		A joint operator accounts for its shares of assets, liabilities, revenues and expenses relating to its involvement in a joint operation in accordance with the relevant IFRSs.		
IFRS 11:16		- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.	The venturer should recognise in its financial statements its share of the joint assets, income from the sale or use of its share of the output of the joint venture, its share of expenses incurred by the joint venture and expenses incurred directly in respect of its interest in the joint venture. IAS 31.21	VAS 8.16
IFRS 11:24		A joint venturer recognises its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 - *Investments in Associates and Joint Ventures* unless the entity is exempted from applying the equity method.	- Jointly controlled entities: involves the establishment of a new entity in which each venturer has an interest.	VAS 8.19
			The venturer accounts for an investment in jointly controlled entities in separate financial statements at costs and in consolidated financial statements using equity method.	VAS 8.25 & 26

Other subjects

	Other subjects			
		Accounting for government grants and disclosure of government assistance– IAS 20	**No equivalent VAS**	
IAS 20.1 -2	**Purpose and scope and definition**	This Standard shall be applied in accounting for, and in the disclosure of government grants and in the disclosure of other forms of government assistance. Government grants are assistance by the government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Such government grants may be given to an entity to help finance a particular asset or other expenditure. Grants given by local, national and international governments, including inter-governmental agencies and similar bodies, are within the scope of IAS 20. Grants related to income tax, agriculture or government participation in the ownership of an entity are not in the scope of IAS 20.		
IAS 20.7	**Recognition**	A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Reasonable assurance is not defined in IFRS and significant judgment is therefore required when the recognition criteria under IAS 20 is applied in practice.		
IAS 20.23	**Measurement**	A government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. IAS 20 also allows an alternative course to record both grant and asset at a nominal amount.		

IAS 20.29 IAS 20.24	**Presentation**	*Grant related to income* IAS 20 offers some flexibility with regards to where grant income is presented in the income statement. Grants related to income (grant income) are sometimes presented as a credit in the income statement, either separately or under a general heading such as 'other income'. Alternatively they are deducted in reporting the related expense. The presentation approach should be applied consistently to all similar grants. *Grant related to assets* Government grants related to assets, including non-monetary grants at fair value, should be presented in the balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the asset's carrying amount. In both cases, this will result in the grant income being recognised in the same period in which the asset is depreciated. In this way, the grant income is recognised in profit or loss in the same period as the expenditure relating to the asset.		
		Borrowing Costs – IAS 23	**Borrowing Costs – VAS 16**	
IAS 23.3,4, 8	**Overview**	IAS 23 - *Borrowing Costs* provides guidance on the accounting for borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of a 'qualifying asset' (an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Other borrowing costs are recognised as an expense.	VAS 16 is based on the previous version of IAS 23. Additionally, Circular 200 gives more accounting guidance in Article 54 for accruals.	

IAS 23.5	**Borrowing costs**	Borrowing costs are defined to be interest and other costs that an entity incurs in connection with the borrowing of funds.	Same in VAS 16	VAS 16.3
IAS 23.6		Borrowing costs may include: (a) interest expense calculated using the effective interest method as described in IFRS 9; (d) finance charges in respect of finance leases recognised in accordance with IAS 17 Leases; and (e) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.	VAS 16 does not include a requirement on using effective interest methods to determine interest expenses. VAS 16 is also silent on the inclusion in borrowing costs for exchange differences arising from foreign currency borrowings	VAS 16.4
IAS 23.5 & 7	**Qualifying assets**	IAS 23 mentioned that a qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Financial assets, and inventories that are manufactured, or otherwise produced, over a short period of time, are not qualifying assets. Assets that are ready for their intended use or sale when acquired are not qualifying assets. Borrowing costs may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.	VAS 16 initially required that a qualifying asset should be under construction or production period of more than 12 months to get ready for its intended use or sale. It does not mention financial assets. Subsequently, Circular 200 modifies and allows the capitalisation of borrowing costs for construction of property, plant and equipment and investment property even if the construction period is under 12 months.	VAS 16.5 Circular 200, Article 54
IAS 23.16	**Excess of the carrying amount of the qualifying asset over recoverable amount**	IAS 23 mentioned for the case when the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or net realisable value, the carrying amount is written down or written off in accordance with the requirements of other Standards. In certain circumstances, the amount of the write-down or write-off is written back in accordance with those other Standards.	VAS 16 does not mention.	

		Earnings per share – IAS 33	Earnings per share – VAS 30	
IAS 33.2 IAS 33.4	**Overview**	IAS 33 - Earnings *Per Share* provides guidance on the calculation of basic earnings per share (EPS) and diluted EPS. IAS 33 applies to the following entities: • Those whose ordinary shares or potential ordinary shares are traded in a public market. • Those that file, or are in the process of filing, financial statements with a securities commission or other regulatory body for the purpose of issuing ordinary shares in a public market. EPS is required only on the basis of consolidated information even if the parent's separate and consolidated financial statements are presented together.	VAS 30 was developed based on IAS 23 and is fairly similar to IAS 23. Subsequently, Circular 200 provides further guidance on the calculation of EPS and diluted EPS.	
IAS 33.10 IAS 33.5, 30 IAS 33.66 & 68	**Key principles**	Basic EPS is calculated by dividing the profit or loss for the period attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding (including adjustments for bonus and rights issues). Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary equity holders of the parent entity and the weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares. An entity shall present in the statement of comprehensive income basic and diluted earnings per share for profit or loss from continuing operations attributable to the ordinary equity holders of the parent entity and for profit or loss attributable to the ordinary equity holders of the parent entity for the period for each class of ordinary shares that has a different right to share in profit for the period. An entity shall present basic and diluted earnings per share with equal prominence for all periods presented. An entity that reports a discontinued operation shall disclose the basic and diluted amounts per share for the discontinued operation either in the statement of comprehensive income or in the notes.	VAS 30 provides similar guidance on the calculation of EPS and diluted EPS. However, Circular 200 provides further guidance on the calculation of basic EPS/diluted EPS for the bonus and welfare fund. When bonus and welfare fund is appropriated from profit after tax, basic EPS is calculated by excluding the appropriated bonus and welfare fund. As a sequence, there is a common re-calculation (restatement) of the basic EPS and diluted EPS of the prior year when the bonus and welfare fund is appropriated from the prior year's profit before tax, but the decision is only made in the current year.	Circular 200-Article 112

		Agriculture – IAS 41	No equivalent VAS	
IAS 41.5	**Overview**	IAS 41 – *Agriculture* prescribes the accounting treatment and disclosures related to agricultural activity. Agricultural activity is defined as the management by an entity of biological transformation and harvest of biological assets (living animals and plants) for sale or for conversion into agricultural produce or into additional biological assets. IAS 41 deals with the accounting for biological assets (except for bearer plants which is in the scope of IAS 16 – *Properties, Plant and Equipment*), agricultural produce at the point of harvest and government grants related to biological assets.	There is no equivalent VAS standard. However, in Circular 200, there are some guidance for the accounting of agricultural sector, as follows: - The account code 154 “work in progress” is used to gather costs incurred in the agricultural sector. - Cost of agricultural produce is determined at the time of harvest or at year end.	Circular 200, article 27
IAS 41.5	**Key principles**	Definitions of biological assets, bearer plants and agricultural produce are as follows: - Biological asset: is a living animal or plant. - Bearer plant: A living plant that (i) is used in the production or supply of agricultural produce; (ii) is expected to bear produce for more than one period, and (iii) has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. - Agricultural produce: is the harvested produce of the entity’s biological assets.		
IAS 41.10		An entity shall recognise a biological asset or agricultural produce when, and only when: • the entity controls the asset as a result of past events; • it is probable that future economic benefits associated with the asset will flow to the entity; and • the fair value or cost of the asset can be measured reliably.	Recognition based on actual costs incurred	

IAS 41.12		A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the case where the fair value cannot be measured reliably.	Biological assets are measured at costs	
IAS 41.26		A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.	No gain/loss recognised until sales of biological assets/agricultural produce	
IAS 41.13 & 28 IAS 41.34		Agricultural produce harvested from an entity's biological assets is measured at fair value less estimated costs to sell at the point of harvest. Such measurement is the cost at that date when applying IAS 2 *Inventories* or another applicable Standard. A gain or loss arising on initial recognition of agricultural produce at fair value less costs to sell shall be included in profit or loss for the period in which it arises. IAS 41 requires that an unconditional government grant related to a biological asset measured at its fair value less costs to sell are recognised in profit or loss when, and only when, the government grant becomes receivable.	Agricultural produces are measured at costs	
		Insurance contracts – IFRS 4 (IFRS 4 is superseded by IFRS 17 - *Insurance contracts*, effective on or after 1 January 2023 with earlier application permitted as long as IFRS 9 is also applied)	**Insurance contracts – VAS 19** **Other MoF guidances**	
IFRS 4.2 IFRS4. Appendix A	**Overview**	IFRS 4 – *Insurance Contracts* was issued in March 2004 and applies to annual periods beginning on or after 1 January 2005. IFRS 4 will be replaced by IFRS 17 as of 1 January 2023. It provides guidance on accounting for insurance contracts. IFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and reinsurance contracts that it holds. IFRS 4 does not address other aspects of accounting by insurers, such as accounting for financial assets that they hold or financial liabilities that they issue, other than permitting an insurer in specified circumstances to reclassify some or all of their financial assets at fair value through profit or loss	VAS 19 – Insurance Contracts is based on IFRS 4 and is consistent with IFRS 4 other than those subsequent amendments in IFRS 4. However, as there is no guidance by the MoF for the implementation of VAS 19, insurance companies apply specific guidance for accounting rather than VAS 19, including accounting guidance in Circular 199/2014/TT-BTC dated 19 December 2014 of the MoF (for life insurance entities and reinsurance entities) and in Circular 232/2012/TT-BTC dated 28 December 2012 of the MoF (for non-life insurance entities and reinsurance entities). As a result,	

IFRS4 App A IFRS 4.15 & 16		and containing temporary exemptions in relation to the application of IFRS 9. Insurance contracts are contracts where an entity (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The risk transferred in the contract must be insurance risk, which is any risk except for financial risk. It allows entities to continue with their existing accounting policies for insurance contracts if those policies meet certain minimum criteria. One of the minimum criteria is that the amount of the insurance liability is subject to a liability adequacy test. This test considers current estimates of all contractual and of related cash flows such as claims handling costs, as well as cash flows resulting from embedded options and guarantees. If the liability adequacy test identifies that the insurance liability is inadequate, the entire deficiency is recognised in profit or loss.	commonly used accounting policies for insurance contracts have a number of areas which are different to IFRS 4, such as the requirements to account for catastrophe reserve and provision for future claim, or the omission of liability adequacy test, impairment of insured assets and the disclosure of embedded values. VAS 19 also does not include those amendments in IFRS 4, or new regulation of IFRS 17. These include, amongst other enhanced requirements, the disclosure of information on insurance risk, such as: a) A sensitivity analysis that shows how profit or loss and equity would have been affected by the relevant risk variable (e.g. mortality and morbidity, interest rates, etc.). b) The methods and assumptions used in preparing the sensitivity analysis. c) Qualitative information about sensitivity and information about those terms and conditions of insurance contracts that have a material effect on the amount, timing uncertainty of the insurer's future cash flows.	

		Insurance contracts – IFRS 17	No equivalent VAS	
	Overview	In May 2017, the IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. The new standard is applicable for annual periods beginning on or after 1 January 2023 . Early application is permitted for entities that apply IFRS 9, '*Financial instruments*', and IFRS 15, '*Revenue from contracts with customers*', at or before the date of initial application of IFRS 17. The standard can be applied retrospectively in accordance with IAS 8, but it also contains a 'modified retrospective approach' and a 'fair value approach' for transition, depending on the availability of data.		
IFRS 17.32	**Recognition**	Under IFRS 17, the 'general model' requires entities to measure an insurance contract, at initial recognition, at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows, and a risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.		
IFRS17.53		Aside from this general model, the standard provides, as a simplification, the 'premium allocation approach'. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.		
IFRS17.45		For insurance contracts with direct participation features, the 'variable fee approach' applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or		

		loss in the period in which they occur but over the remaining life of the contract.		
		Exploration for and Evaluation of Mineral Resources – IFRS 6	**No equivalent VAS**	
IFRS 6, Appendix A	**Overview**	IFRS 6 - *Exploration for and Evaluation of Mineral Resources* specifies the financial reporting for the exploration for and evaluation of mineral resources and the accounting for exploration and evaluation expenditures.		
IFRS 6, Appendix A		Exploration for and evaluation of mineral resources is defined as The search for mineral resources, including minerals, oil, natural gas and similar non-regenerative resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Exploration and evaluation expenditures is defined as Expenditures incurred by an entity in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.		
IFRS 6.3	**Accounting policies**	IFRS 6 permits entities to continue to use their existing accounting policies for exploration and evaluation ("E&E") assets, provided that such policies result in information that is relevant and reliable.		
IFRS 6.8	**Measurement**	IFRS 6 requires E&E assets to be measured at cost at recognition.		
IFRS 6.12		After recognition, entities can apply either the cost model or the revaluation model to E&E assets. If the revaluation model is applied (either the model in IAS 16 - *Property, Plant and Equipment* or the model in IAS 38 – *Intangible assets*) it shall be consistent with the classification of the assets		
IFRS 6.18 & 21	**Impairment**	IFRS 6 requires that exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment loss in		

		accordance with IAS 36 unless the exception specified in the standard is applied.		
		Changes in existing decommissioning, restoration and similar liabilities – IFRIC 1	**No equivalent VAS**	
IFRIC 1.2	**Overview**	This Interpretation applies to changes in the measurement of any existing decommissioning, restoration or similar liability that is both: (a) recognised as part of the cost of an item of property, plant and equipment in accordance with IAS 16; and (b) recognised as a liability in accordance with IAS 37.		
IFRIC 1.5		Changes in the measurement of existing decommissioning liabilities, and changes in the discount rate for assets measured using the cost model, are added to or deducted from the cost of the related asset in the current period. The amount deducted from the cost of the asset shall not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in profit or loss.		
IFRIC 1. 6		Changes in the measurement of existing decommissioning liabilities and changes in the discount rates for assets measured using the revaluation model are recognised as changes to the revaluation surplus in other comprehensive income. In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess shall be recognised immediately in profit or loss.		
IFRIC 1. 7		The adjusted depreciable amount of the asset is depreciated over its remaining useful life. Once the asset has reached the end of its useful life, changes in the decommissioning or restoration liability are recognised in profit and loss as they occur. This applies irrespective of whether the assets are measured using the cost or the revaluation model.		
IFRIC 1. 8		The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.		

		Service concession arrangement – IFRIC 12	No equivalent VAS	
IFRIC 12.5	**Public-to-private arrangement**	IFRIC 12 interprets various standards in setting out the accounting requirements for service concession arrangements while SIC 29 contains disclosure requirements. IFRIC 12 applies to public-to-private service concession arrangements if (a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price, and (b) the grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.		
IFRIC 12.15-17	**Treatment of the operator's rights over the infrastructure**	When the operator provides construction or upgrade services, the consideration received or receivable by the operator shall be recognised at its fair value. The consideration may be rights to: - A financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at discretion of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. . - An intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.		

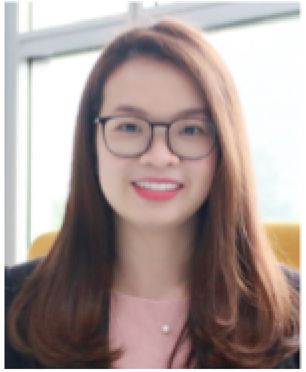
IFRIC 12.12-13 IFRIC 12.21	**Recognition and measurement of arrangement consideration**	Under both the financial asset and the intangible asset models, the operator accounts for revenue and costs relating to construction or upgrade services in accordance with IAS 11. The operator recognises revenue and costs relating to operation services in accordance with IAS 18. Where the operator is applying IFRS 15, it recognises, and measures, revenue for the services that it performs, in accordance with IFRS 15. Any contractual obligation to maintain or restore infrastructure, except for upgrade services, is recognised in accordance with IAS 37.		
		Uncertainty over income tax treatments - IFRIC 23	**No equivalent VAS**	
	Overview	IFRIC 23 clarifies how IAS 12 Income Taxes is applied in recognising and measuring deferred and current income tax assets and liabilities when there are uncertain tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. IFRIC 23 is effective for annual periods beginning on or after 1 January 2019.		
IFRIC 23.6	**Unit of account**	Each uncertain tax treatment is considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty. The factors that an entity might consider in determining the approach that better predicts the resolution of the uncertainty include: • how it prepares its income tax filings and supports tax treatments; and • how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination		

IFRIC 23.11	**Recognition of uncertainty**	If an entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate). The entity should measure the effect of the uncertainty using the method that best predicts the resolution of the uncertainty: • the most likely amount method or • the expected value method IFRIC 23 requires consistent judgements and estimates to be applied to current and deferred taxes.		

Contact us

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. For further information or if you require our official advice or assistance, please reach out to us.

Tran Hong Kien
Partner
Audit & Assurance Services
kien.tran.hong@pwc.com



Tran Do Vy Ha
Senior Manager
Audit & Assurance Services
tran.do.vy.ha@pwc.com

At PwC Vietnam, our purpose is to build trust in society and solve important problems. We're a member of the PwC network of firms in 156 countries with over 295,000 people who are committed to delivering quality in assurance, advisory, tax and legal services. Find out more and tell us what matters to you by visiting us at www.pwc.com/vn.

PwC refers to the Vietnam member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

©2021 PwC (Vietnam) Limited. All rights reserved. PwC refers to the Vietnam member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.