







# International Financial Reporting Advisory Services

**Grant Thornton Vietnam** 



# Benefits from preparation of IFRS reports

IFRS is one of the most popular accounting systems in the world (applied in over 140 countries and jurisdictions) which is encouraged to apply by financial management authorities in developed countries. The application of IFRS is expected to strengthen transparency and comparativeness of financial information among countries and support enterprises to approach capital markets, customers and suppliers more effectively, efficiently and economically.

By applying IFRS for reporting, enterprises in Vietnam might have the following benefits:

# Compliance

# IFRS/VFRS<sup>(\*)</sup> application in Vietnam<sup>(\*\*)</sup>

- Listed, large public and state-owned entities
- Voluntary application from 2022-2025
- Compulsory application from 2025
- VFRS to replace VAS from 2025

### Conversion for consolidation

IFRS conversion reports of FDI entities for consolidation purposes of the parent company

# Compliance reporting

Enterprises that are required to prepare IFRS reports for interested parties, such as: investors, banks, customers and suppliers, etc.

# **Opportunities**

# Private fund raising

- IFRS reports for potential investors
- Fund structuring advisory
- Enterprise valuation at fair value

### Public fund raising

- Approach international investors
- Approach international financial institutions with high transparency requirements
- Improve the enterprise value following the international standards
- (\*) VFRS is Vietnamese Financial Reporting Standards which is developed following the requirements of IFRS and tentatively to replace the current VAS from 2025.
- (\*\*) Source: Decision No. 345/QD-BTC issued by Ministry of Finance on approval of proposal to apply financial reporting standards in Vietnam.

# Our methodology and solution

IFRS reporting advisory services of Grant Thornton are carried out by our dedicated team with expertise in IFRS implementation.

We bring together our technical knowledge and industry expertise, to address the financial exporting challenges of corporations and help them manage expectations of their stakeholders and regulators.

Our **four-stage solution** would benefit the clients with effective approach in IFRS conversion reporting and sustainable capacity building through our trainings and transfers of conversion techniques.

# Stage 1

# Project set-up and diagnostic review

- Obtain an understanding of the business
- Determine key differences between VAS and IFRS
- Recommend proper accounting policies for conversion

# Stage 2

# Process design and information requirements

- Determine necessary information for the conversion
- Develop conversion templates and report
- Support to prepare IFRS conversion report

# Stage 4

# **Building capabilities**

- Support trainings on IFRS reporting activities
- Carry out trainings to use IFRS conversion tools for reporting purposes

# OUR FOUR-STAGE SOLUTION

# Stage 3

# IFRS financial reporting

- Perform calculation for conversion adjusting entries
- Prepare spreadsheets for reporting, including information of balance sheet and adjusting entries
- Prepare financial statements in accordance with IFRS

# **Service offerings**

# **Conversion and preparation of IFRS reports**

We support the clients to convert financial statements from VAS into IFRS and recommend accounting conversion solutions with more advantages to the entities. With our four-stage solution approach, we expect to maximize the clients' benefits and minimize the conversion costs.

### Benefits to the clients

- Use our tools for consolidation reporting process
- Use the standard IFRS report template
- Work with our local and international experts in IFRS
- Receive our support and trainings to accounting teams to improve IFRS conversion techniques
- High quality control by senior experts in IFRS



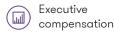
# Implementation of new standards

With some major changes recently to accounting standards such as Revenue recognition, Financial instruments and Leases, etc. Enterprises are looking at significant changes not only to their accounting policies, but also their operation models. Changes introduced by these standards will entail Enterprise wide changes to how to measure the Enterprise's business performance and reflect its financial position.

# Our solutions

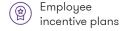
- Review of existing contracts to identify impact under new guidance
- Perform computations for transition adjustments
- Suggestions on disclosures under new standards
- $\bullet$  Training of finance team on the new standards

# Accounting standard changes





Valuation models





Treasury management





Financial accounting and reporting



System, policies and controls



KPIs and investor relations

# Other IFRS-related support services

# **Fund raising support activities**

- Assistance in preparing IFRS financial information to be included in prospectus for IPO or capital raising
- Desktop review of IFRS financial statements for assessment of appropriate accounting policies
- Review of financial statement close process and identify areas of improvement
- Provide technical accounting support on new transactions (e.g. restructuring, if any)
- Assist in drafting responses to accounting and reporting comments provided by investors or stakeholders
- Ongoing accounting advice during independent audit support

# **Transaction support activities**

- Post-completion purchase price allocation accounting
- Evaluating accounting impact of a proposed divestment, acquisition or merger
- Advise on classification and measurement of complex financial instruments
- $\bullet$  Advise on complicated standards such as IFRS 9, IFRS 15, IFRS 16, etc.
- Reviewing share-based compensation arrangements for potential accounting impact
- Accounting advice during independent audit support

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