

4 Tailored IFRS training and update

We compile the learning material for our practically oriented trainings based on several years' experience and according to the client's actual and particular needs in order to pass on knowledge that is most appropriate and most suitable for implementation in day-to-day practice.

The topics of the training may either cover all IFRS standards, so giving a full and general picture of currently effective regulations, or—on request—concentrate on particular standards or areas if that better suits clients' actual needs.

6 Group-level reporting obligation

Preparing reporting packages in line with the group accounting standards may present an additional burden for companies due to tight deadlines and scarce resource capacities. Our experts have wide practical experience in preparing group level reporting packages and adopting the best practices known in the field.

5 IFRS Conversion and transition or implementation

We provide a seamless support to IFRS conversion process, in particular:

- ✓ Gap identification and impact analysis
- ✓ Selection of accounting policies
- ✓ Supports in calculation of adjustments for identified Gap differences
- ✓ Support in preparing IFRS financial statements
- ✓ Modelling of the accounting impacts on IFRS issues
- ✓ Validation of applied IFRS model

7 Other IFRS advisory services

Our experts have wide practical experience in implementing IFRS into accounting systems, supervising IFRS implementation, IFRS modelling, ect.

Contact Us

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IFRS

SERVICES



International Financial Reporting Standards (IFRS) represent the most significant shift in financial reporting and the biggest accounting change in a generation. IFRS has become the most common accounting language globally. A statistic by IFRS.org indicates that by April 2018, for 166 jurisdictions under the survey, 144 jurisdictions (87%) require the use of IFRS standards. The majority of the remaining 22 jurisdictions either permit the use or are in the process of adopting IFRS. Only seven jurisdictions including Vietnam are still using national or regional standards.

As a global accounting language, IFRS helps to enable cross-border financial transactions at lower costs and greater transparency. While Vietnam is integrating more into the regional economics, there is an increasing need for both Vietnam as a country, and each Vietnamese enterprise to be familiar with IFRS and plan ahead for IFRS adoption in the near future.

144

jurisdictions require the use of IFRS Standards

15

jurisdictions either permit the use or are in the process to adopt IFRS

Source: www.ifrs.org, updated 15 April 2018



Getting through the IFRS conversion process and initial reporting period is a great challenge. Companies converting to new accounting standards tend to underestimate what is involved, particularly in terms of time and resources.

Conversion to IFRS is much more than a technical accounting issue. IFRS may significantly affect any number of a company's day-to-day operations or even impact the reported profitability of the business itself. Companies that have benefited most from the transition are those that have looked at this as a chance to make improvements to their systems and processes and have used it as a focus for more efficient, timely and meaningful internal and external financial information.

PwC helps companies to successfully complete the transition to IFRS. We have a range of specialists to assist your company on effective transition methodology, technical accounting expertise, treasury, tax, human resources, M&A, valuations and project management.

07

jurisdictions use national or regional standards

Our Services

1 Complex advisory services

IFRS 9: Accounting advisory related to financial instruments

IFRS 9 Financial Instruments brings fundamental change to financial instrument accounting as it replaces IAS 39 and introduces a new method of classifications and the expected credit loss model. Our specialists explain the new expected credit loss model for financial asset impairment, the impact of the business model on accounting and the consequences of fewer categories for assets.

There are a number of decisions and choices to be made during transition to the new standard but some good news: hedge accounting rules have been eased. Banks and financial institutions are most affected but corporates need to consider the new requirements as well.

IFRS 15: New revenue standard

The new standard's core principle requires entities to recognise revenue to depict the transfer of promised goods or services to customers in amounts that reflect the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services.

This new standard significantly increases complexity around the recognition of revenue, meaning that in a significant number of industries the invoiced amount will not correspond to the pattern of revenue recognition.

IFRS 16: New leases standard

The new Leases standard will affect almost all organisations as practically all organisations are involved in leasing arrangements. Applying the new standard is expected to result in a gross up of the balance sheet, and possibly change the timing of when rent and other lease-related expenses must be accounted for and where in the profit and loss statement they must be presented.

The new standard will affect almost all performance indicators used in practice, such as gearing ratio, liquidity ratio, interest coverage ratio, EBITDA, operating profit/loss, net profit/loss, EPS, ROCE, ROE and the operating cash flow.

Applying the new standard

is expected to result in a gross up of the balance sheet

IFRS 3: Accounting advisory related to corporate acquisitions

In today's dynamically changing economic environment, the number of corporate and shareholding acquisitions and transformations of multinational companies are constantly on the rise. Companies that prepare their consolidated financial statements according to the IFRS standards and are concerned by any group level acquisition or transformation often find it challenging to recognise these transactions appropriately under IFRS.

Accounting calculations and disclosures related to the allocation of the purchase price require wide experience and an accurate knowledge of related IFRS rules.

IFRS 17: New Insurance standard

The IASB finished its long-standing project on insurance contracts accounting and published IFRS 17, 'Insurance contracts' on 18 May 2017 to replace IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. The issuers of insurance contracts will need to use consistent measurement models based on current assumptions at a more granular level.

Both the income statement and balance sheet will change.

2 Advice on Financial sector specific IFRS accounting and complex sectors

Financial market players (banks, credit institutions and insurers) are under constant pressure to comply with various reporting obligations in due time. Our experts can help solve issues that typically concern the financial sector such as hedge accounting, determination of expected credit losses, the amortization of transaction costs, or other complex calculations related to financial instruments.

3 Post-deal IFRS advisory

Subsequence to an M&A transaction, a synergy strategy is always an important step to realize the potential in a business combination. Our team is experienced in providing insights on accounting considerations in those synergy strategies.

