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2026 Study on Readiness for IFRS adoption in Vietnam





Foreword

Vietnam's journey towards adopting International Financial Reporting Standards has reached a defining moment. The legal framework is evolving. Market expectations are rising, and business leaders are increasingly clear about the strategic value that IFRS can deliver. While there may not yet be a single mandatory timeline for all businesses, the trajectory is clear: IFRS is becoming an important pathway for Vietnamese businesses to access international capital markets, enhance financial transparency, and improve operational efficiency.

IFRS presents opportunities to create a strategic advantage by enhancing the quality of financial management, strengthening investor confidence and laying the foundation for Vietnamese businesses to compete and grow sustainably in international markets.

This report provides a comprehensive and multidimensional perspective by combining market insights reflecting the views of the Vietnamese business community and practical implementation experience from IFRS transitions that PwC has supported.

We hope this report offers a clearer and more practical perspective on Vietnam's current level of readiness, while helping businesses identify the necessary steps on their IFRS journey and build a competitive advantage in the evolving landscape.



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1

IFRS in Global and Vietnam Contexts

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IFRS is no longer simply an accounting framework; it is the language of trust, transparency and access to capital

The Global IFRS Landscape

Financial reporting continues to evolve in response to growing investor expectations for transparency, comparability and decision-useful information. Today, IFRS serves as one of the world's most widely adopted reporting frameworks, supporting greater consistency across global capital markets. In Vietnam, Circular No. 118/2026/TT-BTC has established a legal framework that allows enterprises that are members of the International Financial Centre to elect to apply IFRS.

According to the IFRS Foundation, IFRS is used, permitted or required in most jurisdictions worldwide, reinforcing its role as a common financial language for businesses, investors, and regulators.

As cross-border investment and international business activity increase, preparing financial statements using globally recognised standards has become increasingly important.

At the same time, the reporting landscape is expanding beyond traditional financial reporting. The introduction of IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) reflects growing demand for information on sustainability-related risks and opportunities that may affect enterprise value, capital allocation and long-term business resilience.

Together, financial reporting and sustainability disclosures are shaping a more connected reporting ecosystem, enabling stakeholders to gain a broader understanding of an organisation's performance, risks, and future prospects.

Regional momentum: APAC and ASEAN continue to advance reporting convergence

Across Asia Pacific and ASEAN, many jurisdictions have already adopted or substantially converged with IFRS. Vietnam's IFRS transition should therefore be viewed in the context of regional alignment, sharper comparability, and ongoing efforts to strengthen transparency and investor confidence.

Across the region, leading markets have either adopted IFRS Standards, aligned their local frameworks closely with IFRS, or established roadmaps towards fuller convergence. This reflects a wider recognition that high-quality reporting supports capital market development, widens access to investment, and enhances stakeholder trust.

For Vietnam, this regional progress creates both momentum and opportunity. As international investors, lending institutions, multinational groups, and supply-chain partners increasingly rely on globally comparable information, organisations are facing growing expectations to strengthen their financial reporting capabilities and readiness for international standards.

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IFRS readiness is a strategic imperative for Vietnam's market integration

As Vietnam becomes increasingly integrated into the global economy, its readiness to adopt IFRS has a direct impact on the development of its capital markets, its ability to attract foreign investment and cross-border financing, and the reporting activities of multinational corporations.

Vietnam does not currently use IFRS as the general financial statutory reporting framework for domestic enterprises. Vietnamese Accounting Standards remain the mandatory framework. However, many Vietnamese enterprises prepare IFRS financial statements as a supplementary set to meet the requirements of foreign investors, parent companies, or other foreign stakeholders.



Key developments over the past years have sharpened this imperative

1

Decision 345/QD-BTC on 16 March 2020

Sets out the roadmap for applying IFRS in Vietnam.

Law No. 56/2024/QH15 on 29 November 2024

Amends the Law on Accounting, allowing adoption of IFRS in Vietnam subject to further guidance by the Ministry of Finance.

2

3

Resolution 222/2025/QH15 on International Financial Centre

Permits participants to follow International Accounting Standards (IAS/IFRS) or generally accepted accounting principles in a number of other countries and be exempted from preparing financial statements in accordance with Vietnamese Accounting Standards.

Decision 2014/QD-TTg on 12 September 2025

The Prime Minister approves the Project to upgrade the Vietnamese securities market which includes adoption of international accounting standards and encouragement of large listed entities to publish financial statements prepared in accordance with IFRS.

4

5

Circular No. 118/2026/TT-BTC on 18 August 2026

Provides guidance on the application of IFRS. In particular, it permits enterprises that are members of the International Financial Centre (IFC) to apply IFRS.

FTSE's 21 September 2026 announcement on secondary emerging market status

FTSE announced that Vietnam was officially reclassified from frontier to secondary emerging market status, effective 21 September 2026.

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The adoption of IFRS can enhance transparency and comparability, provide more decision-useful information, and facilitate access to international capital. However, companies can realise these benefits only by proactively addressing challenges relating to technical expertise, data, systems, processes, and coordination among relevant stakeholders.

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From Roadmap to Reality

The Ministry of Finance (MoF) has set out an approach that reflects global norms: mandatory IFRS envisaged for public interest entities, applied first to consolidated financial statements, with voluntary adoption available to others. For wholly foreign-owned enterprises, implementation is expected to follow a more streamlined roadmap, as these enterprises have already adopted IFRS to some extent in accordance with their group's reporting requirements.

During discussions on the transition to and adoption of IFRS, representatives of MoF have also openly acknowledged the challenges ahead, noting limited market pricing data for fair value estimation, a shortage of IFRS-experienced professionals, policy inconsistencies with international practice, and the practical challenges of applying English-language standards. Building technical capability will be a shared effort across universities, professional bodies, and advisory firms.

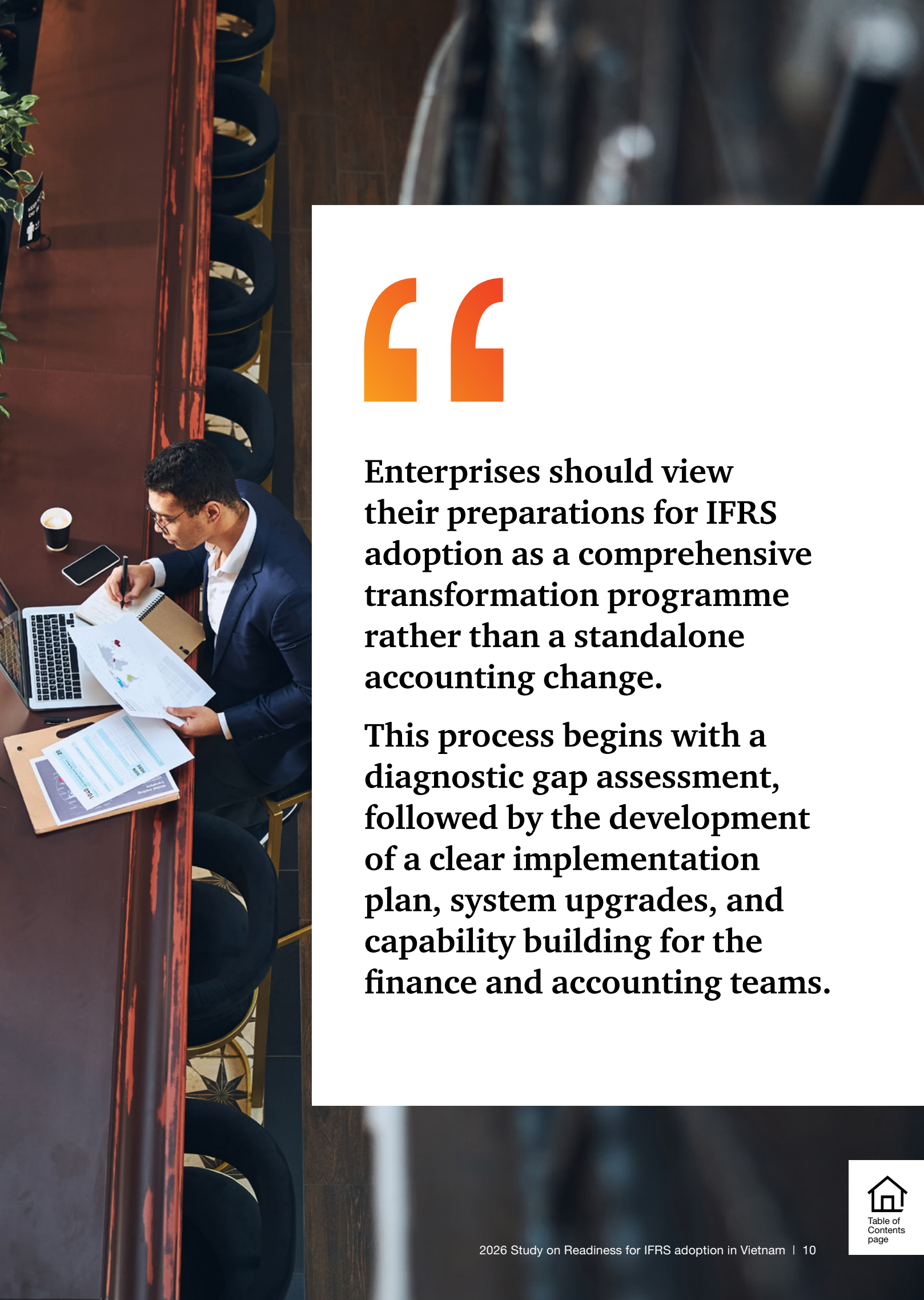
IFRS S1 and IFRS S2 are moving in a similar direction. Vietnam has not yet mandated the adoption of these two standards, but market pressure to provide disclosures aligned with the International Sustainability Standards Board (ISSB) is increasing, consistent with regional trends.

Based on PwC's experience in supporting clients in Vietnam with IFRS conversion, we have observed significant impacts arising from IFRS adoption. In some cases, these have included lower revenue due to the identification of multiple performance obligations under IFRS 15, increases in assets and liabilities resulting from the accounting for lease contracts under IFRS 16, and additional liabilities recognised under the revenue and lease standards. These examples demonstrate that IFRS adoption can have a significant impact on reported financial performance and financial position, as well as on systems, processes, and related-party transactions.

The key challenges included incomplete identification of potential financial impacts and insufficient underlying data to support IFRS adjustments.

This reflects a structural issue rather than simply a lack of knowledge. Although VAS was developed with many similarities to IAS as it stood in the early 2000s, it was not accompanied by interpretative guidance comparable to that available under IFRS. Consequently, the core challenge arises from differences that have accumulated over many years. These differences often become fully apparent only during the conversion process.

The success of an IFRS conversion depends significantly on the readiness of enterprises. As the direction set by regulatory authorities becomes clearer, enterprises need to translate it into concrete action plans across finance, accounting, tax, information technology, risk management, and corporate governance.



Enterprises should view their preparations for IFRS adoption as a comprehensive transformation programme rather than a standalone accounting change.

This process begins with a diagnostic gap assessment, followed by the development of a clear implementation plan, system upgrades, and capability building for the finance and accounting teams.



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Readiness for IFRS adoption in Vietnam: Survey Findings

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Three Signals Shaping IFRS Readiness in Vietnam

Insights from finance and accounting professionals in Vietnamese enterprises

The survey findings point to a market that has largely moved beyond questioning the value of IFRS. Instead, the primary concern for businesses is preparing for the transition to IFRS. Across the responses, three themes consistently emerged: the business benefits of IFRS, different levels of readiness, and a clear understanding of the barriers that must be addressed to support adoption.

Market Sentiment

Strong Recognition of IFRS Business Benefits

84%

agree that IFRS improves the transparency and quality of financial statements

83% agree IFRS increases comparability of financial information

80% say IFRS improves governance and management decision-making

77% believe IFRS helps attract foreign investment

Organisations see IFRS adoption as a necessary step towards enhancing quality of information, strengthening corporate governance, and building investor confidence, rather than merely a compliance requirement.

Readiness level

High Interest but Moderate Preparation

Only 43%

indicate meaningful preparation for IFRS adoption

34% remain neutral about their readiness status

23% report limited or no preparation

45% currently do not prepare any IFRS-based financial reports

Awareness is strong, but execution has not yet fully caught up. Many organisations remain in the assessment and planning phase.

Barriers & Enablers

The market has recognised the challenges of the IFRS transition.

88%

want more guidance from authorities or professional bodies

80% cite IT and software upgrade costs as a significant barrier

71% say they lack sufficient IFRS expertise

51% request IFRS training and capacity-building programs

Successful adoption will depend heavily on workforce development and technology investment. The market is entering a support-intensive stage where education, advisory services, and implementation assistance will play critical roles.

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2.1

Market Sentiment:

Awareness and Perceived Value

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The market has moved beyond the question of "Why IFRS?"

One of the clearest trends emerging from the survey is that Vietnamese businesses recognise the significant benefits that IFRS adoption can bring.

Across almost every dimension assessed, respondents expressed confidence that IFRS can enhance transparency, improve comparability and support better business decisions. Support extends beyond regulatory compliance considerations, reflecting a broader recognition of the benefits of adopting internationally recognised reporting standards in strengthening investor confidence and supporting long-term business growth.

What are the perceived benefits of IFRS in the following areas?



84%

agree or strongly agree that IFRS improves the transparency and quality of financial statements

Transparency emerged as the most widely recognised benefit of IFRS adoption, with 84% of respondents agreeing that IFRS improves the transparency and quality of financial reporting. Strong levels of support were also observed across governance, comparability, and international growth objectives, highlighting that businesses increasingly view IFRS as a strategic lever for long-term growth.

While respondents expressed slightly lower, at 59%, confidence that IFRS adoption leads directly to a lower cost of capital, the finding reflects a pragmatic view of IFRS as an enabler of credibility, trust, and market access, rather than a standalone solution for financing outcomes.

The takeaway

The survey indicates that Vietnamese enterprises increasingly view IFRS as a strategic tool to support their business operations, rather than merely as a compliance requirement.

A clear understanding of this value provides a solid foundation for the next phase of IFRS adoption in Vietnam.

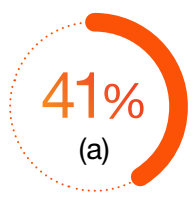
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The market has moved beyond the question, 'Why IFRS?'

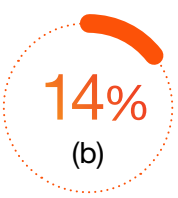
Nearly 70% of respondents have a parent company, major investor or key shareholder based in an IFRS-reporting jurisdiction. As a result, exposure to IFRS often arises through group reporting requirements, investor expectations, financing arrangements or cross-border business relationships well before any domestic reporting mandate applies.

This is why more than half of respondents (55%) have already prepared or are currently preparing some form of IFRS-based financial information. For many organisations, IFRS is already part of their current business operation.

Does your company currently prepare any financial reports in accordance with IFRS?
(e.g., for a foreign parent company or investors)



Prepare IFRS reports for internal purposes



Prepare IFRS reports for external reporting



Do not currently prepare IFRS reports

(*) (a) + (b) = 55%

More than half of respondents indicate that they would voluntarily adopt IFRS even if it were not mandatory, while only a small minority state that they would choose not to adopt IFRS under any circumstances.

This finding suggests that adoption decisions are increasingly being driven by business considerations, including stakeholder expectations, operational efficiency and growth ambitions, rather than compliance requirements alone.

If IFRS adoption is not mandatory for your company, would you still consider adopting it voluntarily?



would adopt IFRS voluntarily even if it were not mandatory



remain uncertain



would not adopt it voluntarily

The takeaway

Belief is no longer the barrier to IFRS adoption in Vietnam. Businesses are convinced of its value, already using it in practice, and broadly willing to move ahead even without a mandatory requirement. The open question is not whether Vietnamese businesses want IFRS - it is how ready they are to deliver it.

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2.2

Readiness level:

Progressing from Awareness to Implementation

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The market is moving, but at different paces

While confidence in the value of IFRS is firmly established, readiness levels vary considerably across organisations.

Our survey shows that 43% of respondents have already started preparing for IFRS adoption, while 34% remain in the assessment stage and 23% have yet to start. These varying readiness levels are understandable given Vietnam's open economy and the fact that IFRS adoption has yet to become mandatory.

The readiness opportunity

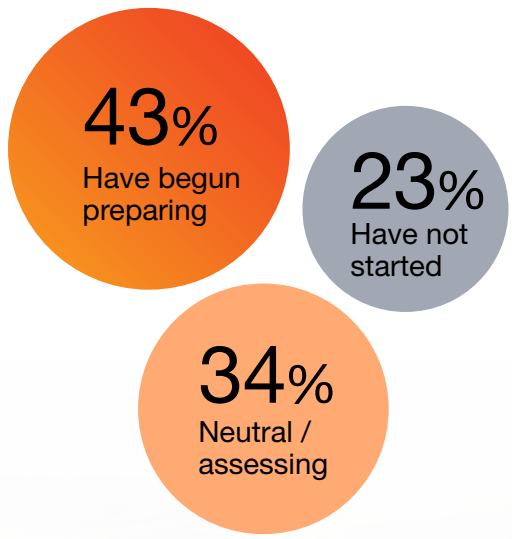
The most significant finding is the size of the group of respondents that are still assessing IFRS adoption: more than one-third (34%) of respondents recognise the importance of IFRS but are still evaluating the timing, scope, and approach to adoption.

As regulatory direction becomes clearer and practical guidance becomes more accessible, this group may have the greatest potential to accelerate overall market readiness.

43%

Have begun preparing for IFRS adoption

To what extent has your company begun preparing for IFRS adoption?



Nearly half of respondents have already started preparing for IFRS adoption.

However, the greatest challenge, as well as opportunity to extract benefits from IFRS implementation, lies among organisations that are still in the assessment phase. Many of these could move into more active preparation as more specific guidance, rules and technical support become available.

The takeaway

The readiness challenges are concentrated and identifiable

One of the biggest concerns often associated with IFRS adoption is the complexity of these standards.

When asked which IFRS requirements they expect to find most difficult, respondents consistently identified a group of standards. The top five areas account for approximately 93% of all responses, indicating that implementation challenges are concentrated rather than spread evenly across the IFRS framework.

The results suggest that IFRS readiness does not necessarily require enterprises to address the entire body of standards at the same time. Instead, enterprises are likely to derive the greatest benefit from focusing their efforts on a relatively small number of technically demanding areas.

For businesses beginning their IFRS journey, this provides a practical roadmap for planning capability-building initiatives, prioritising resources, and sequencing implementation activities. Rather than treating IFRS adoption as a single large-scale exercise, organisations can focus on the issues that are most likely to significantly affect their financial reporting and business model.

In your opinion, the most challenging area of IFRS adoption for your company will be:



Fair Value Measurement (IFRS 13) & Impairment of Assets (IAS 36)



Consolidated Financial Statements (IFRS 10) & Business Combinations (IFRS 3)



Revenue from Contracts with Customers (IFRS 15)



Leases (IFRS 16)



Financial Instruments (IFRS 9)

Respondents have already identified the areas where they expect the greatest challenges, providing a clearer path for targeted training and resource allocation where it matters most.

The takeaway

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Barriers & Enablers:
Closing the Gap

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Capability and capacity are real hurdles to IFRS adoption

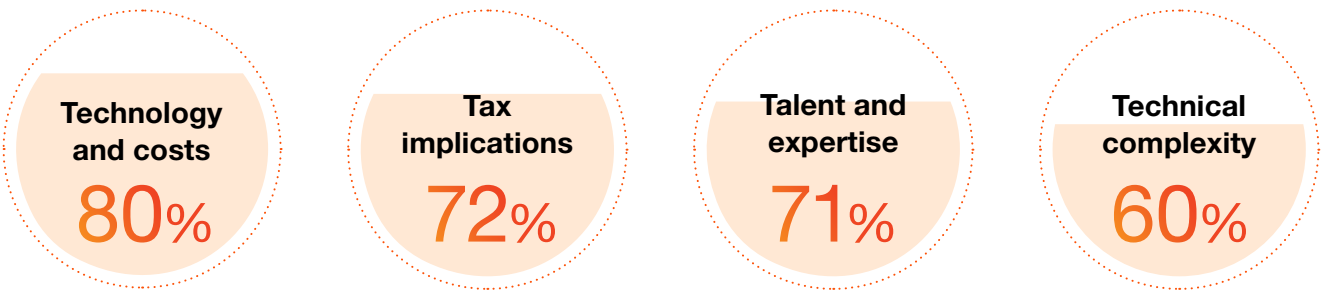
The survey findings show that the challenge is not a lack of confidence in the benefits of IFRS adoption. The practical challenges stem from barriers encountered in implementing the transition to a new framework.

Respondents identified technology and implementation costs, tax implications, talent shortages, and technical complexity as the most significant challenges.

The findings indicate that gaps in readiness are largely attributable to constraints in specialised expertise and available resources.

These challenges are highly interrelated and are unlikely to be resolved independently. Successful implementation requires coordinated investment across human capital, operational processes, and governance frameworks.

In your opinion, which of the following is the most significant factor influencing your company's decision to adopt IFRS?
(Please select one or more options)



The broader market view

Acknowledged as an upfront cost, generally viewed as a worthwhile long-term investment

Corporate income tax liability is unaffected in principle, though reconciling accounting profit to taxable income becomes more complex

A widely recognised shortage, with capacity-building expected to require shared efforts across universities, professional bodies, and advisory firms

Finance and accounting functions may not have kept full pace with IFRS's requirements and ongoing development

We have seen it directly

ERP systems and historical data are rarely IFRS-ready from the outset in practice

Remains an actively managed, unresolved issue in the transitions we have supported

The leading practical challenge in the transitions we have guided. Establishing a dedicated team and engaging appropriate specialists are often key to ensuring the effectiveness of the project

The lack of timely updates on IFRS changes is another common barrier faced by companies.

The takeaway

The barriers identified by respondents are mainly practical rather than strategic. Enterprises understand the potential value of IFRS but require the capabilities, resources, and necessary support to implement it successfully.

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Key drivers of IFRS adoption

While regulatory requirements, cited by

36%

of respondents, remain the most influential factor, other considerations also play a significant role.

Many organisations identified greater transparency and enhanced corporate credibility (22%), along with improved governance and internal decision-making (21%), as the primary motivations for adopting IFRS.

These findings reinforce a clear trend observed in the survey: IFRS is increasingly viewed as a business development initiative rather than solely a compliance obligation.

Furthermore, surveyed companies demonstrated a clear need for practical guidance and implementation support throughout their IFRS adoption journey.

What businesses need most

The survey results reveal a clear consensus among companies regarding the need for guidance and implementation support during the transition to IFRS.

The survey findings are presented below:

Training and capability building and tailored workshops	Technical consultation on complex IFRS topics	Support with IFRS reporting	Implementation and project management support	Diagnostic and impact assessments
51%	44%	37%	32%	21%

These responses show that businesses are drawing their own roadmaps. Training tops the list - consistent with the talent gap identified earlier - followed closely by technical consultation on complex areas, reflecting the standard-specific difficulty concentrated on fair value, revenue, and leases
(mentioned in Section 2.2).

The takeaway

The adoption of IFRS in Vietnam can be further accelerated through a combination of regulatory guidance and a broader support ecosystem. Professional bodies, academic institutions, and advisory professionals will play a pivotal role in enhancing IFRS competencies across the business community.

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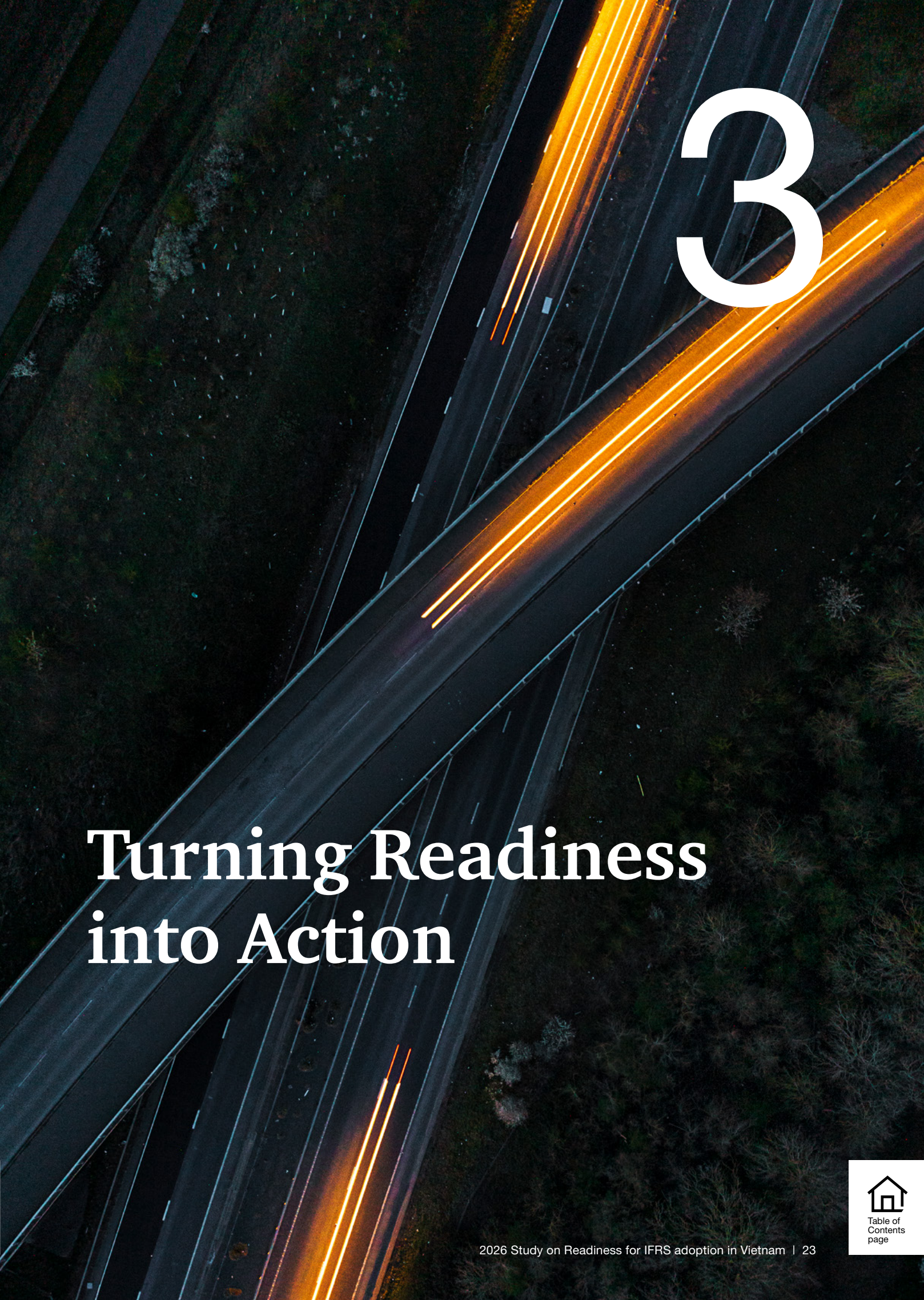
Vietnamese enterprises are well aware of the challenges ahead and the support they need.

The survey findings show that Vietnam's IFRS journey has entered a new phase.

The focus is no longer on whether IFRS should be adopted. Businesses are confident in its value and have identified the practical challenges that must be addressed to make implementation work.

The opportunity now lies in turning readiness into action through targeted capability building, investment in systems and processes, and continued collaboration across the broader financial reporting ecosystem.

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Turning Readiness into Action

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Successful transitions are built in stages

Experience from IFRS conversion projects demonstrates that a phased transition approach is generally the most effective. Given that organisations begin their IFRS journeys from different levels of readiness, a structured roadmap with defined milestones is essential to ensure appropriate resource allocation, effective risk management, and timely execution.

The roadmap below highlights the key phases commonly found in an IFRS implementation project.

The Four-Phase Roadmap:

Diagnostic

Gap analysis between VAS and IFRS. Identify which standards matter most for the business.

Start now.

Accounting Policy Design

Identify the first-time adoption options under IFRS 1. Assess the impact of IFRS 18 on the presentation and disclosure of the financial statements. Set positions on fair value, revenue, and leases.

System Conversion

Redesign data architecture and ERP systems to support dual reporting.

Parallel Run

Run VAS and IFRS in parallel to validate figures before full cutover. Brief the Board and investors on potential impacts.

People: Develop a workforce with strong IFRS expertise through training and development.

Stakeholders: Proactively engage with leadership, investors, and banks on the potential impacts.



Success depends on more than technical accounting

Across the transitions we have guided, technical complexity rarely determined how smoothly a business moved through the process. In practice, the key factor that distinguishes a successful project from an ineffective one is often the level of detail and soundness of the implementation plan.

Below are the five key success factors we have identified. The absence of any one of these factors could increase the risk of delays.



Five Success Factors

and why it matters

1 Start early and prioritise impacts

Procrastination reduces the amount of time available and limits decision-making capacity.

2 Build capability where it matters most

Training should go deep on the standards that are most challenging - fair value, revenue recognition, and leases

3 Engage stakeholders early

Proactively engaging with stakeholders at an early stage (shareholders, investors, banks, etc.) enables enterprises to manage expectations and address emerging issues, particularly when financial ratios change

4 Establish strong executive sponsorship

Strong commitment from senior management will facilitate mobilising the necessary resources and maintaining the highest priority for the transformation programme.

5 Strengthen databases and governance structures

Close coordination across finance, tax and IT, supported by complete, consistent and reliable data, is a critical success factor in all transition projects.

None of these five factors requires deep technical IFRS expertise on its own.

They are organisational disciplines - which means every business, regardless of current readiness tier, can start building them today

The takeaway

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IFRS - ready by design

The direction for IFRS adoption in Vietnam is clear, supported by an increasingly robust legal framework and the momentum created by the country's market status upgrade. The survey results also show that businesses have demonstrated a strong commitment to the value that IFRS can deliver. What distinguishes leading businesses from followers is not awareness, but the decision to act. Action begins with building capabilities today - in a proactive and focused manner, with the right support.

We would welcome the opportunity to discuss with enterprises to assess their readiness and identify the next strategic steps, enabling them to take a proactive approach to their IFRS transition rather than racing against deadlines.

How can PwC help organisations accelerate progress?

1 Practical implementation experience

We draw on lessons learned from previous transitions in Vietnam and overseas to help organisations identify challenges and avoid common pitfalls.



2 Access to specialised technical expertise

We provide deeper technical support in complex areas such as fair value measurement, revenue recognition, and lease accounting.



3 An end-to-end implementation approach

We look at people, processes, systems, and governance together rather than in isolation.



4 Sector-specific perspectives

We bring sector-specific insight to help businesses focus on the right implementation priorities for their industries and business models.



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Embracing IFRS is our gateway to the global arena, unlocking access to international capital and enhancing operational excellence.

The transition journey is accompanied by numerous challenges. Nevertheless, with adequate preparation and a well-structured implementation approach, businesses can transform these challenges into strategic opportunities, laying the groundwork for enhanced competitiveness and sustainable growth in both local and global markets.



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About the survey

Methodology and Respondent profiles

The 2026 IFRS Readiness Study in Vietnam was an online survey conducted by PwC Vietnam between November 2025 and June 2026 among the business community in Vietnam with the goal of assessing the current state of IFRS adoption and readiness in Vietnam. The online survey asked 92 businesses about their views on the benefits, challenges, and current status of IFRS implementation within their organisations.

Industry



18% Financial Services

25% Industrial & Manufacturing

21% Consumer & Retail

14% Construction & Real Estate

7% Telecom, Media & Technology

15% Others

Type



63% Foreign Direct Investment (FDI) companies

25% Privately owned companies

11% Listed public companies

1% State-owned enterprises (SOE)

Revenue (VND billion)



71% Greater than 300

16% 100 - 300

12% 3 - 100

1% 3 or Less

Employees



35% Large (201 - 1,000 employees)

27% Medium (51 - 200 employees)

24% Very large (more than 1,000 employees)

14% Small (1-50 employees)

Charter Capital (VND billion)



73% Greater than 100

16% 20 - 100

10% 3 - 20

1% 3 or Less

Note:

- Not all figures add up to 100% because percentages have been rounded
- The industry and firm level figures are based on unweighted data

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To discuss your IFRS journey and how we can assist, please reach out to our team.

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