

A large, abstract graphic of a network or sphere made of interconnected blue nodes and lines, positioned in the upper right background.

Vietnam

Accounting

FUNDS AND FUND MANAGEMENT 2009

1.1 Requirement to produce financial statements

Requirement to maintain the books and records in the local jurisdiction

According to Decision 62/2005/BTC, a fund management company must ensure separation regarding organization and operation, information technology system, and reporting system as between activities of managing assets and other business operations of the same company and business activities of other organizations being affiliated persons or entities.

According to Decision 63/2005/BTC, the fund management company must maintain proper accounting books and supporting ledgers for each of the funds under its management separately from the accounting books of the fund management company itself in accordance with the local regulations applicable for securities investment funds. The financial statements of a securities investment fund have to be approved by the fund management company and the supervising bank.

Production of financial statements by collective investment funds

Not applicable

Choice of period/year-end for collective investment funds

Not applicable

Requirements for comparatives

Similar to IFRS

Restrictions on the currency under which financial statements must be prepared

The financial statements must be prepared in Vietnamese Dong. Other currency can only be used with approval from the Ministry of Finance of Vietnam.

Accounting publications specific to the funds industry (as issued by accounting bodies or the regulator)

None

Use of short form accounts

For investment fund, monthly and quarterly returns to the State Securities Commission is in short form (balance sheet, income statement, statement of assets, statement of changes in net assets, and statement of investment portfolio).

Fund management company is not required to submit short form accounts.

Requirement to prepare a short report

See above

Umbrella schemes

Not applicable

1.2 Requirement to audit financial statements

Fund management company and investment fund (member or public) must have financial statements audited annually by a certified audit firm (audit firm approved by the state securities commission).

1.3 Publication of financial statements

For fund management company: The annual financial statements and annual report of a public company must also be disclosed in the publication and on the electronic information site of such company and must be archived for at least 10 years at the head office of the company in order to enable investors to refer to such items.

The date of completion of annual financial statements shall be the date on which the auditor signs approval on the audit report. The time-limit is 90 days after the last day of the financial year.

For funds: A fund management company shall make a periodic disclosure of information about annual FS of public funds within 10 days from the date it has audited financial statements. Changes in the net asset value of a public fund on a weekly, monthly, quarterly and annual basis;

- Assets of a public fund on a weekly, monthly, quarterly, and annual basis;

- Status and results of investment activities of a public fund on a monthly, quarterly, and annual basis.

1.4 Accounting standards

Vietnamese Accounting Standards, Vietnamese Accounting System, Decision 62/BTC for fund management companies, and Decision 63/BTC for securities investment funds.

There are some significant differences between VAS and IFRS. For example:

- Fair value (allowed for investment funds but not fund management company)
- Impairment (fixed asset impairment not allowed)
- ESOP (not introduced yet)
- Derivatives (no guidance for accounting yet)
- IFRS7 (no equivalent standard yet)

1.5 Contents of financial statements

For fund manager (Decision 62/BTC): balance sheet, income statement, cash flow statement, and note to financial statements.

For funds (Decision 63/BTC): balance sheet, income statement, statement of assets, statement of changes in net assets, statement of investment portfolio, and notes to financial statements (cash flow statement is not required).

1.6 Accounting treatments and disclosures

See accounting standards above.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.