

Orientation for Development of Accounting Services Market in Vietnam Today

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ABSTRACT

Currently, the trend of opening up and integrating together with the needs of domestic enterprises makes the accounting service market in Vietnam considered very potential. This is a development opportunity for accounting service businesses and accounting practitioners, but it is also a challenge for the newly formed and recognized Vietnamese accounting service market, which is still very young and full of potential. This article analyzes some of the contents that need to be noted in the work of inspecting accounting service activities, thereby providing orientations for the development of the accounting service market in Vietnam until 2030.

Keywords: Accounting, Accounting Law, Market, Service.

INTRODUCTION

The Strategy for Development of Accounting and Auditing to 2020, with a vision to 2030 (issued in Decision No. 480/QĐ-TTg dated March 18, 2013, of the Prime Minister), has been strongly and resolutely implemented, achieving many positive results. However, through inspection work, it indicates that there are still enterprises and accountants who have not fully complied with the provisions of accounting standards and related legal regulations. In order to contribute to the development of the accounting service market, one of the important solutions is to improve the quality of auditing accounting services. This article analyzes some contents that need to be noted in auditing accounting services, thereby providing orientations for the development of the accounting service market in Vietnam until 2030.

METHODOLOGY

Data Collection Method

This article collected data on the basis of studying existing documents and by manipulating logical thinking to draw necessary scientific conclusions related to the content of accounting service market. By reviewing the scientific literature from various official sources around the world as well as practicing the method of systematizing theory and history, the article has reached important conclusions on the issues involved in the situation of accounting service market in Vietnam.

Data Analysis Method

The study utilized both synthesis and statistical methods to comprehensively evaluate the theory and current status of the accounting service market in Vietnam. The utilization of the descriptive statistical method in the research on the accounting service market has a profound effect on understanding and analyzing key aspects of this kind of market.

RESULTS AND DISCUSSION

Current Status of the Accounting Services Market in Vietnam

After many years of innovation, accounting services have changed a lot with important developments, contributing to the overall success of the country's economy. In particular, with the strong and drastic implementation of the Strategy for Accounting and Auditing Development to 2020, with a vision to 2030 (issued in Decision No. 480/QĐ-TTg dated March 18, 2013, of the Prime Minister), many positive results have been achieved. The Vietnamese accounting service market has developed in recent times, both in terms of service quality and scale of operations. The legal environment is basically regulated relatively fully, clearly, and in accordance with Vietnam's conditions, international practices, principles, and standards, thereby creating favorable conditions for the formation and development of the accounting service market provided by domestic and foreign accounting and auditing enterprises. Typically, the 2015 Law on Accounting of the National Assembly and the Government's Decrees (Decree No. 174/2016/ND-CP dated December 30, 2016, detailing a number of articles of the Law on Accounting) have been achieved. The Law on Accounting, Decree No. 41/2018/ND-CP dated March 12, 2018, stipulating administrative sanctions in the fields of accounting, independent auditing, etc., clearly stipulates the subjects that are provided with accounting services; cases and subjects that are not provided with accounting services; levels of administrative sanctions in the field of accounting, etc., contributing to creating an important legal foundation for the stable development of the accounting service market.

Statistics from the Ministry of Finance, as of December 2023, show that the whole country has 184 enterprises that have been granted certificates of eligibility to provide accounting services. The annual growth rate and customer size of accounting service enterprises have increased quite rapidly but are still quite modest. Typically, in 2019, although the number of enterprises increased by 57% compared to 2018, the number of new customers in accounting service business activities only reached 7,396 units, accounting for a very small proportion of the market.

In recent years, under the strict management of the management agency, directly the Ministry of Finance, the awareness of compliance with legal regulations on accounting in general and the quality of accounting services in particular of enterprises providing accounting services and accountants has been raised. In addition, the number of people granted accounting practice certificates is increasing. Statistics show that as of December 2023, the number of people with accounting practice certificates is 1,271, of which 450 people are working in accounting service enterprises, accounting for 35% of the number of people with accounting certificates... The capacity of accountants is also increasingly improved, basically meeting the requirements of customers.

Content of Accounting Service Inspection

In the accounting service market, although there has been significant improvement, through inspection work, it shows that there are still businesses and accountants who have not fully complied with the provisions of accounting standards and related legal regulations... In that context, it is necessary to improve the quality of accounting service inspection activities. In order to organize and implement inspection of accounting service business activities on January 25, 2021, the Ministry of Finance issued Circular No. 09/2021/TT-BTC guiding the

inspection of accounting service activities. To help relevant parties clearly understand the new regulations that will come into effect from April 1, 2021, the author summarizes some contents to note in the inspection of accounting service activities as follows:

Regarding applicable subjects: Subjects inspected according to the provisions of Circular No. 09/2021/TT-BTC include:

- Entities that provide accounting services according to the provisions of the 2015 Accounting Law include accounting service business households, accounting service enterprises, branches of foreign accounting service enterprises in Vietnam, auditing enterprises, and branches of foreign auditing enterprises in Vietnam that provide accounting services.
- Accounting service practitioners include accountants practicing at accounting service business units and accountants and auditors practicing at auditing enterprises and branches of foreign auditing enterprises in Vietnam that provide accounting services.
- Tax procedure service business organizations that provide accounting services to micro-enterprises according to the provisions of the 2019 Law on Tax Administration and people with accounting certificates working at tax procedure service business organizations that provide accounting services to micro-enterprises.
- Other units, organizations, and individuals related to accounting and accounting service business activities.

Regarding the content and form of auditing accounting service activities: According to the provisions of Article 4, Circular No. 09/2021/TTBTC of the Ministry of Finance, it is stipulated that:

- Check the compliance with legal regulations on registration, maintenance of conditions for practicing, and conditions for doing business in accounting services of accounting service practitioners and accounting service business units in Vietnam, including registration, maintenance of conditions for doing business in accounting services, and performance of reporting and notification obligations of accounting service business units; and registration, maintenance of conditions for doing business in accounting services, and performance of reporting and notification obligations of practicing accountants.
- Check the compliance with the provisions of professional standards, accounting regimes, and relevant accounting laws of the inspected entity when providing accounting services to customers. Professional standards include accounting standards and professional ethics standards of accounting and auditing.

Regarding the form of inspection of accounting service activities: According to Article 5, Circular No. 09/2021/TT-BTC, the inspection of accounting service activities is carried out in the form of indirect inspection and direct inspection. Specifically:

- - Indirect inspection: The agency in charge of the inspection monitors the compliance of the inspected entity with notification obligations and submits periodic reports to the Ministry of Finance upon request or as prescribed by law.
- - Direct inspection: The agency in charge of the inspection establishes an inspection team to inspect accounting service business activities at accounting service business units. Forms of direct inspection include:

- + Periodic inspection: Every year, based on the period of direct periodic inspection specified in Article 7 of this Circular, the inspection authority shall prepare a plan for direct inspection of accounting service business activities.
- + Surprise inspection: (i) Inspection to verify petitions and complaints related to accounting service business activities; (ii) Inspection of information with signs of law violations discovered during the management and indirect inspection of accounting service business activities.

Regarding the period of periodic direct inspection: According to the provisions of Article 7, Circular No. 09/2021/TT-BTC of the Ministry of Finance, direct inspection is conducted every 3 years for accounting service business units that, in the 3 consecutive years before the inspection, have annual accounting service revenue on financial statements of VND 20 billion or more and have 100 or more accounting service customers each year. Accounting service revenue includes revenue from accounting services, chief accountant services, financial statement preparation and presentation services, and accounting consulting services. Direct inspection is conducted at least every 5 years for accounting service business units that are not subject to the provisions of Point a, Clause 1, Article 7.

In case the conclusion in the minutes of the periodic direct inspection of the accounting service business activities of the accounting service business unit is that there are professional errors or violations of accounting professional ethics standards causing serious consequences or having the actual possibility of causing serious consequences, the accounting service business unit will be re-inspected immediately 1 to 2 years later. In case the accounting service business unit has been subject to a surprise inspection or accounting inspection, it is not subject to periodic inspection of the accounting service business activities in that year.

For direct inspection at least once every 5 years for accounting service business units not subject to the provisions of Point a, Clause 1 of this Article. However, when the conclusion in the minutes of periodic direct inspection of accounting service business activities of the accounting service business unit is that there are professional violations or violations of accounting standards or accounting professional ethics standards causing serious consequences or having the potential to cause serious consequences, the accounting service business unit will be re-inspected immediately 1 to 2 years later. If the accounting service business unit has been subject to a surprise inspection or accounting inspection, it is not subject to periodic inspection of accounting service business activities in that year.

On the rights and obligations of the subjects of accounting service inspection:

- Rights of the subject of accounting service inspection: In case of force majeure or objective reasons, the accounting service business unit may request the inspection authority to change the time of direct inspection at the unit. The unit must notify the inspection authority at least 3 working days before the planned inspection date. The proposed change in inspection time must be no later than 30 days from the scheduled inspection date as notified; Notify in writing the inspection authority and the head of the inspection team when there is reason to believe that a member of the inspection team has violated independence; refuse to provide information and documents not related to the inspection content or information that is a state secret, unless otherwise provided

by law; and explain and make recommendations to the inspection authority on the contents with different opinions in the inspection conclusion of the inspection team.

- Obligations of the subject of accounting service inspection: Arrange for responsible persons to work with the inspection team; Coordinate and facilitate the inspection team to carry out the inspection work and report or provide information related to accounting service business activities to competent authorities when requested; Discuss with the inspection team about the situation of the unit and explain and provide complete, timely, accurate, and honest documents and necessary information related to the inspection content according to regulations or as requested by the inspection team; Sign the inspection record immediately after the inspection ends; Within 30 days from the date of signing the inspection record, the inspected unit must notify in writing the agency in charge of the inspection about the results of implementing recommendations to correct errors, shortcomings, and limitations discovered by the inspection team during the inspection process.

Along with the strong development of the market economy, accounting services will certainly develop remarkably in the coming years, ensuring that Vietnamese enterprises are firmly on the path of integration and service providers are also confident to export their products to the world market.

The Vietnamese accounting service market currently has many limitations, specifically: the scale of the accounting service market is not yet commensurate with the scale of the economy; the total revenue of the market only accounts for about 0.08% of GDP/year; and there is an imbalance in market development when 100% foreign-owned companies only account for a small proportion but account for 50% of the total revenue of the service market. The services provided are not diverse, and the added value is low, while the service quality has not yet met the requirements; Lack of high-quality accounting resources...

In particular, the government aims to complete the accounting regulations system by 2030 to ensure strictness, effectiveness, efficiency, and synchronization of the accounting standards system in accordance with international practices and Vietnam's conditions.

Enhance the role of state management, promote the activities of professional organizations, and focus on developing the service market and human resources in the field of accounting on par with other countries in the region. Thereby, improve the quality of the economic-financial-budget information system to be increasingly public and transparent, honestly reflecting economic-financial information and data in the national economy, and meeting the requirements of management, operation, and decision-making of state management agencies as well as enterprises, units, and other organizations. Strengthen international integration, cooperate with international accounting organizations, and create close connections and mutual recognition between Vietnam and countries in the region and the world.

ORIENTATION OF ACCOUNTING SERVICE MARKET DEVELOPMENT

The current development orientation of the accounting service market associated with the implementation of the strategy until 2030 needs to focus on implementing the following key contents:

For Management Agencies

- Firstly, improve the capacity and efficiency of accounting management and supervision agencies. Audit the management and supervision of accounting units and accounting service providers. Innovate and effectively implement the content, methods, and conditions for the management and supervision of accounting activities. Strengthen coordination with agencies and units with the functions and tasks of inspecting and supervising financial reports and compliance with accounting laws.
- Secondly, strengthen inspection and supervision activities and have appropriate sanctions to ensure compliance with the law by accounting units and accounting service providers to improve the quality of financial reporting and accounting services. Coordinate with professional organizations, training institutions, and a team of experts with practical experience in accounting practice to strengthen professional training in accounting, foreign languages, skills in inspecting and supervising financial reports, and compliance with accounting laws. At the same time, strictly handle violations of accounting standards and professional ethics standards.
- Thirdly, have appropriate solutions to attract high-quality personnel to effectively and efficiently perform accounting management and supervision tasks. Based on functions and tasks, ensure human resources to monitor compliance with accounting laws of enterprises and organizations in the state and business sectors. Study international experience and implement appropriate plans to organize activities according to the accounting consulting model in order to make decisions in accordance with international practices, Vietnamese laws, and the unit's practices.
- Fourthly, specify the responsibilities and obligations of enterprises, accounting units, and individuals in enhancing the publicity and transparency of financial situations, ensuring equal rights in accessing information of investors and related parties regarding financial reports and other financial information. Effectively implement the publicity and transparency of economic and financial information of enterprises, accounting units, agencies, and economic organizations, in which attention is paid to units with public interests.
- Fifthly, develop the number of enterprises providing accounting and auditing services in a reasonable manner; encourage the formation of large-scale, high-quality accounting enterprises that are competitive enough in the domestic market and aim to provide services in foreign markets.
- Sixthly, strengthen international cooperation in the management of the accounting services market. Develop the accounting services market through participation in international agreements and mutual recognition of practice... within the ASEAN bloc and between Vietnam and countries such as the UK, Australia... Strengthen the mechanism for inspection and supervision of the quality of accounting services, professional ethics, and quality of accounting practice...

For Professional Associations

- Firstly, improve the effectiveness of participation in the development and review of mechanisms and policies; improve the capacity to manage and monitor compliance with professional standards and standards and regulations on professional ethics of accountants; check the quality of services; and foster professional knowledge and ethics for accountants. In the coming time, continue to proactively participate and coordinate

with the Ministry of Finance to research and develop documents, Vietnamese accounting standards, and professional ethics standards for accountants; coordinate the implementation of legal documents in the field of accounting.

- Secondly, organize training and update knowledge for practicing accountants. Participate in organizing accounting and auditor certification exams according to regulations of the Ministry of Finance. Coordinate with the Ministry of Finance to inspect and control the quality of accounting services when requested.
- Thirdly, expand cooperation with professional organizations in the region and around the world to improve the effectiveness of professional associations, contributing to promoting accounting integration. Seek the assistance of international professional accounting organizations and non-governmental organizations in researching and exchanging accounting experiences; provide technical support for innovating accounting management models as well as other professional accounting techniques.

For Accounting Businesses

- Firstly, increase the application of information technology in professional activities to increase professional productivity and enhance business cooperation in providing comprehensive and complete services to customers.
- Secondly, coordinate research, absorb international accounting practices, and actively participate in research and development of corporate accounting documents and standards to apply in actual business operations.
- Thirdly, strictly implement legal regulations on accounting and auditing according to the field of operation; promptly reflect on difficulties and obstacles and actively participate in the process of researching and drafting documents, standards, and accounting regimes for enterprises. Strictly implement legal regulations and inspections, examinations, and conclusions of management agencies.
- Fourthly, improve the sense of discipline, professional qualifications, and professional ethics of accountants through innovating regulations on training content and forms and updating knowledge; pay attention to and encourage international professional certificate training programs to access knowledge and professional skills according to international practices.
- Fifthly, continue to expand the scale and capacity of operations; Constantly diversify and improve the quality of accounting services according to market demand; Improve the ability and qualifications of professional staff, expand the scope of practice for both individuals...

For Training Facilities

- Firstly, regularly organize surveys on the quantity and quality of accounting staff after graduation. From there, proactively innovate content, programs, and methods to improve the quality of training and foster accounting human resources, combining theory and practice closely linked to the digitalization process and digital transformation in accounting.
- Secondly, innovate the content, form, and training program for chief accountants; develop content and programs to update professional knowledge and skills annually for chief accountants of public interest units.

- Thirdly, innovate the method of organizing examinations and granting accountant certificates, ensuring knowledge and skills in accordance with international requirements and practices and ensuring conditions for mutual recognition in the region and the world. By 2030, 15,000 people will be granted auditor certificates.

CONCLUSION

The article has outlined the current accounting service market in Vietnam and some contents that need to be noted in checking accounting service activities according to Circular No. 09/2021/TT-BTC to ensure that accounting service providers comply with regulations. The development orientation of the accounting service market in Vietnam in the coming period is to improve the quality of human resource development services and promote the application of international integration technology so that the accounting service market develops on par with the region, ensuring the transparency and honesty of financial information.

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