Literature Review: Factors Affecting the Application of International Financial Reporting Standards for Small and Medium-Sized Enterprises

Author’s Details:

(1) Thi Ngoc Linh Tran - TNU - University of economics & business administration
(2) Thi Thuy Nguyen - University of Economics - Technology for Industries, Vietnam

Correspondence: Thi Thuy Nguyen, 456 Minh Khai, Hai Ba Trung, Ha Noi

Abstract:
The objective of this paper is to synthesize previous studies related to the factors affecting the application of international accounting standards for small and medium enterprises. Based on the theoretical overview from previous studies to build a model to evaluate factors affecting the application of international accounting standards for small and medium-sized enterprises in Vietnam.

Keywords: International accounting standards, small and medium enterprises

1. Introduction

The regional and global economic integration poses to small and medium-sized enterprises (SMEs) must quickly integrate into accounting to attract foreign financial investment. Therefore, the application of international financial reporting standards for small and medium-sized enterprises (ICD for SMEs) in Vietnam is extremely urgent.

The objective of the study is to identify the factors that affect the application of ICD to SMEs with practical and scientific significance.

Stemming from the requirements of economic integration, from the accounting and auditing strategy of 2020 and vision to 2030 in Vietnam, the Ministry of Finance is implementing according to Decision 480 / QD-TTg dated March 18, 2013. of the Prime Minister, and based on the published research reality, the author commented that the study of the factors affecting the application of international financial reporting standards for SMEs to thereby put The orientation to build the complete set of ICDs for SMEs in Vietnam is extremely urgent, of practical significance and profound scientific significance for the accounting work of SMEs in Vietnam.

2. Factors affecting the application of international financial reporting standards for small and medium-sized enterprises

Through a brief presentation of previous and foreign studies related to the topic of factors affecting the application of ICD to SMEs in SMEs, it is noticeable that the authors have identified many various factors that affect the application of ICD to SMEs in SMEs, typical factors can be mentioned as: Pressure of international integration; The impact of professional organizations at home and abroad; Legal System; Economic development; Scale; Subjects and needs of using financial statements information; Cost / benefit; Attention of the owner / manager to apply ICD to SMEs; Accounting qualifications; Cultural; Political institutions, ...

2.1. Pressure of international integration

Ikahaimo et al. (2008) argued that the pressure of international integration, especially the appearance of international business activities (including export, import, capital investment, etc.) of SMEs, affects the applying international financial statements for sme's. In addition, Ikahaimo et al. (2008) stated that the application of ICD to SMEs will increase the quality of financial reporting of enterprises and bring many benefits to these businesses, the author asserts that the The internationalization of enterprises is one of the factors affecting the application of international financial statements for SMEs. That is, the deeper the
international integration, the more import and export activities, the more international capital investment will motivate SMEs to arise the need to apply ICD to SMEs.

The study of Eierle & Haller (2009) and Atik (2010) both assessed the impact of international integration pressure, such as export and import activities to the application of ICD to SMEs, the results of the study. The research has commented that whether or not SMEs related to international business concur with the acceptance and application of ICD to SMEs as SMEs with many international activities. The higher the pressure on the international economic integration of enterprises, the greater the demand for enterprises in applying international financial statements for SMEs.

Research by Albu et al. (2013) examines institutional pressures to guide the application of international financial statements standards for SMEs and to assess the results of application in countries with a background. New economic development. The same opinion with the authors Eierle & Haller (2009) and Atik (2010) in the study of Ho Xuan Thuy (2016) also stated that SMEs have other characteristics such as international organizational structure, and international competition, and the import-export activities, the more capital investment activities abroad, the higher the need to apply ICD to SMEs.

2.2. Law system

The legal system is one of the factors influencing the application of ICD to SMEs, which is assessed through the density of government agencies' participation in the process of compiling, developing and promulgating technical expertise. Albu's research (2010) shows that ICDs in general and ICDs for SMEs in particular are often used by countries to apply prototypes that accounting organizations as well as private establishments are allowed to participate in the process. drafting, developing and promulgating technical expertise. The results of Albu's (2010) study once again confirm that there is an influence of legal system factors on the application of ICD to SMEs in other countries.

The extent of the rule of law including the tax law on accounting activities will affect the suitability of international technical expertise to countries around the world (Chamisa, 2000). Research by Albu et al. (2011) suggested that there is a link between financial statement presentation and the law, and the application of ICD to SMEs in countries affected by legal factors. Moreover, the accounting recording and presentation of KT information in many countries is affected by tax laws (Tran Dinh Khoi Nguyen, 2011); The regulations of accounting colleges are strongly influenced by the tax and financial policies of SMEs mainly serving for tax authorities (Evans et al., 2005; Sian & Roberts, 2006). Sharing the same opinion with Evans et al. (2005) and Sian & Roberts (2006), in a case study in Romania author Fekete et al (2011) also stated that actually accounting and application activities. ICD for SMEs in Romanian SMEs is affected by taxes. Therefore, the introduction of ICD for SMEs requires flexible adjustments of the legal system, tax policy to be compatible with this accounting standard. And this is one of the reasons that some countries are still not ready to apply ICD to SMEs, and SMEs prefer to apply national accounting standards more because they are in line with national tax accounting (Ploybut, 2012), few adjustments need to be made.

In the research of Ana & Cláudio (2018), the study on the factors affecting the application of ICD to SMEs also shows that countries have law systems of high quality financial accounting standards and the relationship. Strictly between the accounting standards and the low tax law, the possibility of applying the IBCs to SMEs is very high.

2.3. Scale

Enterprise size is one of the factors that researchers seek to learn and there are many studies related to scale. Otchere & Agebeibor (2012) stated that SME size is one of the main factors explaining the suitability and challenges of SMEs in applying ICD to SMEs.
Sian & Robert (2006) studied factors that belong to characteristics of enterprises such as scale characteristics, operating environment characteristics, owner and operator involvement, etc., causing differences between enterprises. Micro-scale with other large enterprises, this difference is a key basis for discovering the need to build a different financial statements system for SMEs based on ICDs for SMEs. Eierle & Haller (2009) argued that larger enterprises may incur higher costs in making international financial and accounting reports, so that they can meet the information requirements compared to applications. Relevant stakeholders, especially those with international trade relations, are therefore concerned about the practical implications of using company size as a standard for various reporting.

Atik's research (2010) aims to evaluate the arguments of SMEs in Turkey on the application of ICD to SMEs, and at the same time draws out the factors that influence the application of ICM to SMEs. However, the results of Atik (2010) conclude that scale does not affect the need to apply ITC for SMEs, but for SMEs in all the countries surveyed, there is a need to apply ITC for SMEs, irrespective of scale. Supporting this view, Albu et al. (2010) also recommend that the criteria for SMEs that each country develops to apply ICD to SMEs should be based on the degree of responsibility, not the size of the business.

Neag et al. (2011) conducted a study to determine whether size affects the demand for financial statements regulations that differ between firms of different sizes, the results of the study confirm that It is necessary to classify SMEs by scale to establish appropriate accounting rules. Sharing the same opinion with Neag et al (2011), research by Stanbank & Tafuh (2011) also agreed that the scale is one of the appropriate criteria to identify a differentiated financial reporting system for SMEs. Specifically, Stanbank & Tafuh (2011) conducted review and evaluation of the views of accountants and users of the South African SME financial statements on criteria for determining the size of SMEs that are suitable for the use of the financial statements. Particularly for this type of business. Accordingly, the criteria for determining SMEs in size are proposed based on three criteria: (1) total assets, (2) sales and (3) the number of employees. However, the author concludes that the selection of the criteria for determining the size of SMEs needs to be further argued because the selected target groups have different views on this issue.

Albu et al. (2013) conducted a study to find out which criteria of enterprises are appropriate to establish the scope of application of ICD for SMEs, based on the results of statistical analysis, the study confirmed the scale. truly one of the important scales used to determine the scope of application of international financial statements for SMEs.

2.4. Economic development

In the work of Zhehal & Mhedhbi (2006); Bikki et al. (2016) said that the application of ICD to SMEs is influenced by economic development factors. As the economy grows, the complexity of business operations, and the size of the business increases, the accounting system requires the development of corresponding service tools. The Zeghal & Mhedhbi (2006) view states that in countries with high levels of economic development, the functions of KT for measurement and verification purposes become more important, scale and complexity. of large economic activity, the economy will require a high quality KT system. Empirical research results indicate that the degree of openness and growth of the economy is positively associated with the application of ICD to SMEs in other countries.

However, empirical research of Lainez & Callao (2000) in emerging countries shows a negative relationship between economic growth and acceptance of ICD and adoption of ICD. Because the economy has insufficient resources, the economy is not really developed, there is a shortage of capital, so they have not accepted and do not want to use international financial statements, and they only use it as a reporting mechanism. effect to attract foreign capital, thereby creating economic growth.

Thus, the degree of economic development will affect the application of ICD to SMEs in SMEs, the empirical research results of the above studies once again confirm this relationship.
2.5. Accounting qualifications

In the study of Halyer (2010), it is shown that the attitudes of accountants affect the application of ICD to SMEs in the company. The study of Uyar & Gümüş (2013) found evidence of the lack of qualified accountants as one of the obstacles when applying ICD to SMEs in Turkey once the country has accepted the application of ICD. Similarly, in the study of Zakari (2014), it was concluded that companies with unskilled accountants present a challenge for the SME’s owners in Libya to apply the ICM SMEs and affirming that developing countries in general and Libya in particular lack of staff of accountants with knowledge of ICD for SMEs (Zakari, 2014).

The professional and competency factors of accountants are mentioned in Perera & Chand (2015) with the argument that although compared to ICD, the ICD of SMEs has a summary that facilitates SMEs more access and use this set of standards. With the empirical research at Fiji, Perera & Chand (2015) considered the benefits of applying ICD to SMEs, given the lack of qualified and knowledgeable accountants for ICDs for SMEs. affect the application of ICD to SMEs. In addition, Samujh & Devi (2015) conducted research with the aim of discovering the suitability of ICD for SMEs in developing countries, based on a summary of the results of previous works, , the results of this study show that the qualifications of accountants affect the application of ICD to SMEs, and the qualifications of accountants who are poor are one of the reasons ASEAN countries are not ready to apply. ICD for SMEs.

2.6. Cost / benefit

Firstly, ICD of SMEs is a set of standards based on many characteristics that are appropriate for SMEs and one of them is the cost factor and potential benefit of SMEs when applying this set of standards.

Javis & Collis (2003) stated that the application of specific financial statements standards mainly due to the complexity of technical expertise creates a mismatch between compliance costs and benefits. Benefits related to standards are those of financial statements that are highly reliable, the benefits of useful information in making business decisions. The cost of technical compliance and implementation usually includes the costs for training, training, the cost of setting up a financial information collection and processing system, and data analysis costs. According to Di Pietra et al (2008) when studying countries applying ICD, the authors stated that the costs incurred except for compliance with ICD such as employee training are mainly due to companies affected by ICDs. responsibility for disclosing information, not by law. At the same time, these authors affirmed that the consideration of the application of ICD in developed countries is mainly from the analysis of the benefits gained from the application compared to the cost to comply with the ITC.

Litjens et al. (2012) found that financial preparation practitioners carefully considered the relationship between benefits and costs when enterprises applied ICD to SMEs. Although the relationship between costs and benefits is important when evaluating reporting requirements, businesses pay attention to cost evaluation and this evaluation is always easier and clearer than it is. the expected benefit evaluation. In this regard, the study by Albu et al. (2013) provides a relative relationship of costs incurred with the suitability of applying ICD to SMEs, in this study, users of financial statements and People who prepare financial statements are the most surveyed subjects.

Devrimi & Maximilian (2015) in the study of countries applying ICD to SMEs stated that the costs arising from compliance with ICDs for SMEs such as employee training are mainly due to companies affected by disclosure responsibilities. Information, not by law. For SMEs, the comparison of benefit-cost relationship is the concern of managers due to the small size of these enterprises and the limited investment costs.

According to Chand et al. (2015) studying the application of INGOs to SMEs in SMEs in Australia, the costs or financial burden are mainly in the form of costs that comply with the reporting units’ complex reporting requirements. . This may be additional costs to collect, store and retrieve financial information or the cost to
hire additional qualified staff or train staff. The cost of expertise and related resources to apply ICD to SMEs is also a cost factor. Small and medium-sized businesses often rely on auditors to ensure compliance with financial reporting requirements, leading to increased professional fees. Small and medium-sized businesses operating in developing countries, where specialized agencies and effective support delivery networks are limited, may incur additional costs due to resource scarcity. Other indirect costs are the opportunity cost of limited accounting resources that are diverted to prepare financial information. In a survey conducted on professional accountants in Fiji, 66.9% of the 155 respondents strongly agreed that the cost of compliance with ICD for SMEs is much smaller than their respective benefits and 70% of respondents recognize the need for a tertiary standard for micro firms (Chand et al., 2015).

2.7. Subjects and needs of using financial statement information

When discussing the use of financial statements information of SMEs, Albu et al. (2010) stated that State management agencies are the main users of financial statements information of enterprises, so the information is provided on the financial statements. This is a very low level of reliability because the enterprises provide from a coping point of view and the State management agency does not have high requirements for information quality (mainly for tax administration) and this author group also suggested that ICDs for SMEs should only be applied to SMEs whose main information users are banks and capital investors. Mazars (2008) and Dang Duc Son (2011) argue that SMEs are often limited in resources, so the main subjects using information of SMEs include: business owners, banks and financial institutions. capital.

Both Mazars (2008) and Albu et al. (2010) also agree that banks are the main source of capital for the operations of SMEs and they often require that financial statements information must accurately reflect the financial situation. of businesses to use it to ensure debt and interest are paid on time, and the bank also pay attention to the rate of profit that businesses achieve. In addition, Cole et al. (2009) found that banking organizations often require financial statements to provide very detailed information about solvency of businesses, they do not care about the principles of recognition and measurement. mainly about information. Thus, financial statements in enterprises are governed by information needs of information users and these needs mainly depend on the nature of decision making.

For small companies, owners and managers are often inseparable (Petra Klink, 2016). However, in the German study, more than 70% of participating SMEs had owners who were not actively involved in enterprise management, although this was significantly dependent on the size of small and medium-sized enterprises (Eierle & Haller, 2009). This separation between owners and managers indicates that agency conflicts exist for SMEs, ensuring that small businesses prepare more detailed or cumbersome information, even when there is no investor. outside (Petra Klink, 2016).

Owners who are not involved in business management often use financial statements to assess the management of managers, i.e. how well managers have used the fund of the business (Petra Klink, 2016). The usefulness of information for decision making is considered lower because financial statements are usually prepared long after the end of the year. Therefore, owners use financial statements as a confirmation instead of transition planning or decision making (Sian & Roberts, 2009). In addition, the usefulness of financial statements is limited due to the owner's ability to understand financial statements (Sian & Roberts, 2009), thus showing the need to easily understand accounting and standard guidelines. ink. This is especially true for developing countries, as financial capacity is seen as a constraint to the growth of SMEs (Petra Klink, 2016).

In most countries, the most important financial source of SMEs is banking. Banks often require financial statements as part of the terms and conditions to provide loans or finance or as part of a periodic compliance review. They not only make decisions based on financial statements and mainly require additional collateral for loans such as mortgages, farming or personal guarantees. Financial statements prepared according to ICD for SMEs is not a requirement of Namibian banks (Petra Klink, 2016).
Many SMEs prepare financial statements for tax purposes (Samujh & Devi, 2015). IUDs for SMEs are not developed with the tax authorities as the main users, as global IDs cannot handle tax reporting requirements of different jurisdictions (Petra Klink, 2016). The tax authority in Namibia requires that the financial statement be submitted with the annual income tax return, along with the comparison of profits with taxable income and the schedule of support for line items in the tax return. There are no specific requirements of Namibia tax authorities to prepare financial statements according to ICD for SMEs (Petra Klink, 2016).

Owners of SMEs, banks and tax authorities as financial statements users will be able to request additional information to meet their information needs (Petra Klink, 2016). Consider user needs, have fewer benefits in terms of high quality, compliance costs, general-purpose financial statements, international comparisons, such as compliance financial statements Manual of ICD for SMEs. An example of this can be seen in other developing countries like Fiji, which has applied ICD to SMEs for all users who are not a big company, as defined by Fiji. However, many entities in Fiji have sought to waive compliance with ICD for small businesses, due to the number of users outside of their financial statements or users only requiring financial reporting for special purposes. (Chand et al., 2015). This demonstrates the need to simplify the reporting requirements of SMEs in the form of a tertiary reporting standard, especially for micro enterprises.

Ern et al. (2016) suggest that it is related to a high level of accounting information users' need to use accounting information with the application of international financial statements. The information transparency of businesses and the need to use information to help SMEs attract investment and gain access to international markets are also issues that SMEs are interested in to enhance the application of ICD to SMEs (Ern et al., 2016).

2.8. The impact of professional organizations at home and abroad

According to Le Hoang Phuc (2014), in some countries such as England, France, Australia, etc. The State rarely makes specific regulations on accounting; The principles and technical expertise are often set by professional associations, which are professional private organizations. Professional principles and standards promulgated by professional associations are generally accepted by the society and the State. For example, in the US today, the Financial Accounting Standards Board, an independent private organization, has the support and recognition of the US Securities and Exchange Commission becoming the main body responsible for construction and promulgating financial statements standards, thereby showing the important role, the impact of professional organizations on the application of ICD to SMEs.

Albu et al. (2010) suggest that the application of ICD to SMEs requires professional organizations in countries to establish a high quality accountant education and training system. According to Yap et al. (1992), up to 53% of Singaporean small and medium enterprises in the sample group asked consultants to implement and this support has a positive impact on the success of accounting system in the enterprise. Gray (1991) points out that SMEs will be more sensitive to the need for consultants in professional accounting organizations and accounting information systems for large enterprises. But there are also indications of the inadequate behavior of SMEs towards consultants. A recent study found that SMEs seem to have poor relationships with information technology experts and are less willing to apply accounting information systems to change their business status (Cragg & King, 1993).

Dang Van Thanh (2017) in "The role and responsibility of professional organizations in promoting and implementing ICD in Vietnam" is to apply ICD in general and ICD for SMEs in particular in terms of Vietnam. Vietnam Accounting and Auditing should organize training courses to update KT standards and financial statements as well as changes to international and Vietnamese standards, first of all training and provide training for practicing accountants, members, chief accountants, and tax officers.

2.9. The attention of managers/business owners to the application of international financial reporting standards for small and medium-sized enterprises
Holmes & Nicholls (1988) surveyed business owners or business managers to find out the variables that influence the sophistication of accounting information systems in a business that are of interest. Business owners / managers to have or need to prepare accounting information as a basis for making decisions. It was found that few business owners or managers managed to draft and search accounting information other than the statutory reports, and the level of funding generated (Holmes & Nicholls, 1988). This author has discovered a variable that seems to affect the perception of the importance of accounting information for the enterprise owner or the manager of the enterprise: the training and education level of the employer. Business or manager. Lee & Runge (2001) find that business owners' sense of the importance of information technology in businesses is related to the extent to which information technology is applied in accounting. Lee & Runge (2001) state that most firms have independent ownership, meaning that business owners strictly control their businesses as the main decision makers and provide most of the capital they need for operation. Therefore, their competencies, characteristics, attitudes and motives have a significant influence on the success of the company. Therefore, their knowledge affects company performance; Companies with more savvy, more knowledgeable managers will be more successful. Highly educated owners / managers are also more receptive to new ideas (Lee & Runge, 2001).

2.10. Cultural

The environment of a nation influences social values and norms (culture), which is then absorbed to form different organizations (Hofstede, 1984). Hofstede (1984) proposes five important cultural factors: (1) Power distance, (2) Individualism, (3) Long-term orientation, (4) Male (Masculin) and (5) Uncertainty avoidance. Although the structure of culture has been tried in many forms, including religion, language and patterns of human behavior (Stulz and Williamson, 2003), Hofstede's views are most common.

Nobes (1998) notes that countries affected by the same cultural values are likely to apply the same accounting criteria. Chamisa (2000) suggested that the application of ICD would be easier for developing countries with Anglo-Saxon culture. This can be evidenced by the dominance of members of Anglo-Saxon backgrounds in the application of ICD.

Zeghal & Mhedhbi (2006) point out that developed Anglo-Saxon culture is the easiest place to apply international technical expertise. From this perspective, it can be predicted that the application of international technical or financial criteria will be easier for Anglo-Saxon countries. Cultural factors have influenced the application of international standards of countries in terms of language differences that hinder the application of ICD to SMEs and the perception of accountants: For countries While developing, social standards are still weak, and the ideological and conservative ideology are still hindering innovation, inexperience and qualifications, and therefore are not ready for the transformation and application of ICD to SMEs (Irina, 2015).

Previous studies on the relationship between accounting development and the cultural environment were primarily group studies. Gray et al. (2015) examined the correlation between cultural factors and accounting environment, Gray et al. (2015) examined four major changes in the accounting environment: (1) power lower expertise and higher statutory control; (2) higher uniformity of accounting activities among companies; (3) more conservative than accounting measurements; (4) higher confidentiality is the tendency to keep information and not disclose information. The results provide evidence that cultural factors are closely associated with the accounting team.

Salter & Niswander (1995) find that societies with a culture of avoiding low uncertainty are less likely to have an accounting system that is regulated by regulatory requirements, but more open in reporting practices. (financial disclosure due to market rather than rigid accounting rules). Accordingly, countries with a culture of avoiding low uncertainty may be attracted to the ICD for similar reasons. ICM has been described as based on the principles of many users on the database, not on rules, and proponents claim that ICD creates a more effective market by making financial statements more transparent and easier to compare. Therefore, the relationship between the application of ICD and the culture of avoiding uncertainty is expected to be negative.
Along with the viewpoint of Salter & Niswander (1995), the study of Ema Masca (2012) proves that the views of organizations in European countries on ICDs for SMEs are influenced by the region's accounting culture. Geographically where they operate, by taking surveys using questionnaires addressed to accounting authorities and agencies only interested in the development of accountants in member states such as bank associations, goods, credit and insurance. The questionnaire contains 12 questions with explanations related to a number of small and medium businesses, account users, and other stakeholders. Questionnaires are available on the European Commission website.

Questions related to three hypotheses: (H1): Opinions of organizations on the use of ICD for SMEs on a large scale, within the legal framework, in Europe, not influenced by cultural succession maths of the geographic area where they operate; (H2): Organizations, regardless of the accounting culture of the geographic space in which they operate, believe that increasing the international comparability of accounts prepared under the ICM for SMEs benefits people. use; (H3): Organizations, regardless of the accounting culture of the geographic space in which they operate, argue that providing to companies at the EU level is an appropriate option to apply ICD to SMEs.

Ema Masca (2012) studied the survey of 44 organizations and came to the following results: Regarding the hypothesis H1, of 44 surveyed organizations, 23 respondents (52%) felt that ICD SMEs are suitable for widespread use in Europe and 18 organizations (41%) have mixed opinions. 3 organizations (7%) answered "we don't know". Among the 18 organizations that do not consider the ICD to SMEs suitable for widespread use in Europe, represent countries with common accounting culture: France, Germany, Austria, Belgium and Italy. The conclusion of hypothesis H1, saying that the opinion of organizations on the use of ICD for SMEs on a large scale, within the legal framework, in Europe, is influenced by the accounting culture of the geographical area. where they operate;

Regarding the H2 hypothesis, 41 organizations surveyed, 41 answered this question and 3 abstained. Among the 41 respondents, 22 respondents (50%) felt that preparing accounts under ICD for SMEs increased their comparability, 16 respondents (36%) disagreed with the aspects mentioned in the question, and 3 respondents (7%) said they did not know the answer to this question. Concluding that in the evaluation of the benefits of a comparison determined by using an international credit card for SMEs, the organization is influenced by the accounting culture of the geographical area where it operates;

Regarding the hypothesis H3, the research team posed two questions to investigate, including the first one, "Do you think the application of ICD to SMEs should be regulated in the EU accounting legal framework?"?", The second sentence is:" Is there any case for companies, at EU level, an option to apply ICD to SMEs? ". With 3 choices: "yes", "no", "I don't know". Concerning the first question, from 44 respondents, 29 organizations (66%) in Europe (the issue is handled in the first case), note that 29 organizations have considered that ICD for SMEs should be regulated within the EU legal framework. Regarding the second question, only 16 organizations (36%) felt that there was a case for companies, at EU level, an option to apply ICD to SMEs, 28 organizations (64%), no. Agree with this selection. Among the organizations that disagree that ICDs for SMEs should be adopted within the legal framework or offered as an option at the EU level. The results show that the views expressed by the surveyed organizations are affected, but not determined, by the accounting culture of the geographic area in which they operate.

2.11. Political institutional factor

Accounting standards are the product of a political action and reflect a temporary equilibrium anchored in some scientific logic and practice (Belkaoui, 1983). The political environment can affect the development of accounting both directly and indirectly. A nation's political freedom is very important to accounting development. Belkaoui (1983) argues that if a country has a low level of political freedom, citizens will not be able to choose members of the government due to the lack of democracy. Therefore, it is unbelievable that these
people can act on accounting policies. However, on the contrary, in the presence of a fair-based democracy, a better development of accounting standards may be applied.

In addition, the political environment indirectly affects accounting through its influence on national culture and economy. Moreover, many researchers also believe that factors in the political environment, such as government stability and currency may affect the economic environment, so may have an impact on the environment. accounting (Doupnik & Salter, 1995).

Zeghal & Mhedhbi (2006) selected the degree of political autonomy to assess the impact of politics on the application of ICD in developing countries. Conclusion The degree of political freedom has negligible impact on the application of ICD in developing countries.

Ramanna & Sletten (2014) analyzes how China, Canada and India select and document an approach that depends on relations with the International Accounting Standards Board and how it integrates international integration. Countries that are proactive and actively integrate globally tend to apply ICD more quickly, and some countries are more cautious so their application is limited and prolonged.

3. Conclusion

Currently IBCTC for SMEs have been applied by many countries in the world or announced use plans. There are countries that apply completely and some countries that apply partially, with adjustments to suit the country's economic, political and social characteristics.

In the growing trend of accounting convergence, according to the “Accounting-auditing strategy to 2020, vision to 2030 Vietnam has determined the direction and policy of efforts to complete the accounting system. Mathematics in general and VAS in particular, expressed very clearly in the viewpoint of "perfecting the legal framework of the standard system", "integrating with international practices". Moreover, Vietnamese SMEs are increasingly involved in international business activities, and businesses also want to attract domestic and foreign capital to grow, so financial information is truly transparent. should be urgent. Appropriate technical expertise will help SMEs prepare quality financial statements to meet the needs of providing information with high reliability and very useful for those who need to use the information. Thus, like other countries, Vietnam is also under pressure of integration with ICD for SMEs. However, significant changes in the VAS system, especially in relation to SMEs to meet the integration direction, have not been fully addressed by the Ministry of Finance in the recent period.

In Vietnam, when applying legal documents to SMEs, the investigation begins with the method used by businesses, the way they manipulate that process and its effectiveness in relation to the implementation of the law. Accounting laws, accounting standards, accounting regimes and related laws documents. Within the scope of this article, the authors focus on investigating the factors affecting the application of ICD to SMEs in Vietnam. Based on expert opinion surveys, a number of macroscopic factors are considered to have no direct impact and are therefore excluded; Factors similar to some degree are classified into groups.

On the basis of understanding and inheriting the results of previous researches in the world on factors affecting the application of ICD to SMEs and on the basis of background theories are the institutional theory of sociology. modern, useful information theory, the theory of planned behavior, inheriting the results of the major studies performed (Eierle & Haller, 2009; Otcere & Ageibor, 2012; Albu et al., 2010 , 2013; Ajzen, 1991; Lee & Runge, 2001; Halyer, 2010 ...) from which the author proceeded to identify the research model on the factors affecting the application of ICD to SMEs in Vietnam including the factors : Pressure of international integration; Law system; Culture, Political Institutions, Scale; Economic development; The impact of professional organizations at home and abroad; Accounting qualifications; Attention of managers / business owners to the application of international financial statements for SMEs; Cost / benefit; Subjects and needs of using financial statements information.
References


