

Law No.: 67/2011/QH12

LAW ON INDEPENDENT AUDIT

Pursuant to the 1992 Constitution of the Socialist Republic of Vietnam as amended, supplemented a number of Articles by Resolution 51/2001/QH10; The National Assembly promulgates the Law on Independent Audit,

Chapter 1.

GENERAL PROVISIONS

Article 1. Scope of governing

This Law regulates the principles, conditions, scope, and form of independent audit activities; the rights and obligations of practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam and the units that are audited.

Article 2. Subjects of application

This law applies to the auditors, the practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam, the units that are audited, professional organizations on audit and other organizations, individuals related to the activities of independent audit.

Article 3. Application of the Law on independent audit, international Agreements and relevant laws

1. Domestic organizations and individuals and foreign organizations, or individuals engaging in independent audit on the territory of Vietnam must comply with this Law and other provisions of concerned law.
2. Where the international Agreements which the socialist Republic of Vietnam is a party stipulating different from the provisions of this Law shall apply the provisions of such international Agreements.

Article 4. Objective of independent audit

Independent audit activities aim to contribute to the transparency of economic information, finance of units that are audited and other enterprises, organizations; to strengthen investment environment; practice thrift and prevent and combat waste, prevent and combat corruption; to detect and prevent violations of law; to raise the effectiveness, management efficiency, administration of economy, finance of the State and business operation of enterprises.

Article 5. Interpretation of terms

In this Law, the following terms are construed as follows:

1. *Independent audit* means the auditor practicing a profession, auditing firms, branches of foreign auditing firms in Vietnam inspecting and giving their independent opinions on the financial statements and other audit works under the audit contract.
2. *Auditors* mean the persons who are granted certificates of auditors in accordance with law regulations or those who have certificates granted from foreign countries recognized by the Ministry of Finance and passed examination on the Vietnam law.
3. *Practicing auditors* mean the auditors who have been issued certificates of registration of practicing audit.
4. *Members participating in the audit* include practicing auditors, auditors and other members.
5. *Auditing enterprises* mean the enterprises which meet the sufficient conditions for trading audit services in accordance with this Law and other provisions of the concerned law.
6. *Audited units* mean the enterprises, organizations that are implemented the audit under the audit contract by the auditing firms, branches of foreign auditing firms in Vietnam.
7. *Units with the public interest* mean the enterprises, organizations that the nature and scale of operation which is highly related to the interests of the public.
8. *Audit practice* means the operation trading the audit service of practicing auditors, auditing firms and branches of foreign auditing firms in Vietnam.
9. *Financial statement audit* means the one that practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam inspect, give their opinions on the truthfulness and rationality in the key respects of the financial statements of the audited units in accordance with provisions of auditing standards.

10. *Compliance audit* means the one that practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam inspect, give their opinions on the compliance with laws, regulations, provisions that the audited units shall perform.

11. *Operation audit* means the one practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam inspect, give their opinions on the economy, effectiveness and operation efficiency of a part or the whole audited unit.

12. *The audit statement* means the written report made by practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam after the completion of the audit, giving opinions on financial statements and other contents which have been audited under the audit contract.

13. *Branches of foreign auditing firms in Vietnam* mean the dependent units of the foreign auditing firms, having no legal entity status, ensured to take the responsibility for all obligations and commitments of its branches in Vietnam by the foreign auditing firms.

Article 6. Audit standards and professional ethical standards of accounting and auditing

1. Auditing standards mean the rules and guidelines on the requirements, principles, auditing procedures, and handling of the relationship arising from audit activities that members participating in the audit and the auditing firms, branches of foreign auditing firms in Vietnam must comply with.

2. Professional ethical standards of accounting and auditing mean the rules and guidelines on principles, contents of the application of professional ethical standards for members participating in the audit and auditing firms, branches of foreign auditing firms in Vietnam.

3. Auditing standards and professional ethical standards of accounting and auditing are the bases to inspect and evaluate the quality of audit and professional ethical of members participating in the audit and auditing firms, branches of foreign auditing firms in Vietnam.

4. Ministry of Finance stipulates auditing standards and professional ethical standards of accounting and auditing on the basis of international standards.

Article 7. Value of audit statement

1. The audit statements on financial statements assess the honesty and rationality of the financial statements in conformity with accounting standards, the accounting regime issued by competent agencies or organizations.

2. Compliance audit statements assessing the compliance with laws, rules, and regulations in the management and use of money, property and other resources of the audited units.

3. Operation audit statements assessing the economy, effectiveness, and efficiency in management and use of money, property and other resources in the audited units.

4. Audit statements are used for:

a) Shareholders, investors and parties participating in the joint venture, association, customers and other organizations and individuals having direct interests or related to the audited units to handle relations on rights and obligations of stakeholders;

b) State agencies manage and administer under functions and assigned tasks;

c) Audited units detect, handle, and prevent timely errors and weakness in the operation of the units.

Article 8. Operation principles of independent audit

1. Compliance with the law and taking responsibility before the law on occupational activity and audit statements.

2. Compliance with audit standards and professional ethical standards of accounting and auditing of Vietnam; for the audits under the audit contracts that are required to apply the other audit standards shall comply with such audit standards.

3. Independence, honesty, objectivity.

4. Information confidentiality.

Article 9. Compulsory audit

1. Compulsory audit is the audit for the annual financial statements, the settlement statements of completed projects and other financial information of the audited units specified in clause 1 and clause 2 Article 37 of this Law and other provisions of concerned law.

2. Audit contract of annual financial statements of the enterprises, organizations that are required to audit the financial statements must be concluded no later than thirty days before the date of ending the year accounting period.

3. Enterprises and organizations that are required to audit as submitting financial statements to the competent State agencies and as publicizing financial statements audit are required to attach the audit statements; in case when the State agencies receive financial statements of the enterprises, organizations which are required to audit without the attached audit statements, the State agencies are responsible for sending notice to the competent state agencies for handling in accordance with the law regulations.

Article 10. Encouragement of audit

The State encourages enterprises and organizations hiring the auditing firms, branches of foreign auditing firms in Vietnam to audit the financial statements, the settlement statements of completed projects and other audit works before they are submitted to the competent state agencies or before the public finance.

Article 11. State administration on the independent audit activities

1. The Government unifies state administration on the independent audit activities.
2. The Ministry of Finance takes responsibility before the Government for the implementation of state administration on independent audit activities, with the duties and powers as follows:
 - a) Making, submitting to the competent State agency for promulgation according to its competence the legal documents on independent audit;
 - b) Making, submitting to the Government for deciding the strategy and policy of developing activities of independent audit;
 - c) Stipulating the conditions to take part in the examination, the organization of examination to grant certificates of auditors; granting, revoking, and managing certificates of auditors;
 - d) Stipulating the standard form of the certificate of sufficient conditions for trading audit service, granting, modifying and revoking the certificates of sufficient conditions for trading audit service;
 - d) Suspending the trading of audit service;
 - c) Inspecting, examining and settling complaints and denunciations and handling violations of legislation on independent audit;
 - g) Inspecting, examining activities in the field of independent audit of the professional organizations on audit;
 - h) Providing for updating knowledge to auditors, practicing auditors;
 - i) Providing for registration and management of audit practice; publicizing the list of auditing firms, branches of foreign auditing firms in Vietnam and practicing auditors;
 - k) Providing for monitoring quality of audit service;
 - l) Reviewing and evaluating the activities of independent audit and implementing the measures to support the development of independent audit activities;

m) International cooperation on independent audit.

3. Ministries, .

4. People's Committees of provinces and cities directly under the central Government within its duties and powers are responsible for the state administration on independent audit activities at its locality.

Article 12. Professional organizations on audit

1. Professional organizations on audit are established and operate under the provisions of the law on associations and are responsible for complying with the provisions of the law on independent audit.

2. Professional organizations on audit are fostered knowledge for auditors, the auditors practice and perform a number of tasks related to independent audit activity prescribed by the Government.

Article 13. The strictly-banned acts

1. Strictly banning members who participate in the audits and auditing firms, branches of foreign auditing firms in Vietnam conduct the following acts:

a) To purchase, receive donation, hold shares or contributed capital of the audited units regardless of the number;

b) To buy, sell bonds or other assets of the audited units affecting the independence in accordance with the professional ethical standards of accounting and auditing;

c) To receive or require any money or benefits from the audited units other than the service fees and costs agreed in the contract concluded;

d) To harass, cheat customers and the units audited;

đ) To disclose information on the audit records, clients, audited unit, unless the clients, audited units approve or as prescribed by law;

e) To inform, introduce false qualifications, experience and ability to provide services of practicing auditors and auditing firms, branches of foreign auditing firms in Vietnam;

g) To scramble clients in the forms of hindering, drawing, bribing and colluding with clients and other acts of unfair competition;

h) To carry out the collection for the audited units;

i) To be in collusion with the audited units to falsify accounting records, financial statements, audit records and to report falsely the results of audit;

k) To forge, falsify records of audit;

l) To rent, borrow certificate of auditor and the certificate of registering to practice audit for its professional activities;

m) To provide audit services without adequate conditions in accordance with provisions of this Law;

n) Other acts under regulations of law;

2. Apart from the provisions in clause 1 of this Article, strictly banning auditors and practicing auditors perform the following acts:

a) Practicing audit as an individual;

b) Forging, leasing, lending, or permitting to use name and certificate of auditors, certificate of registering audit practice to perform audit activities;

c) Working for two auditing firms, branches of foreign auditing firms in Vietnam or more at the same time;

d) Other acts under regulations of law.

3. Strictly banning the audited units and concerned organizations and individuals to carry out the following acts:

a) To select organizations and individuals that are not sufficient conditions for practicing audit to conclude the audit contracts;

b) To refuse to provide necessary information and documents for the audit as required by practicing auditors or auditing firms, branches of foreign auditing firms in Vietnam;

c) To obstruct the work of the participants in the audit;

d) To provide false, untruthful, incomplete, untimely information, documents relating to the audit;

đ) To bribe, collude with members participating in the audits and auditing firms, branches of foreign auditing firms in Vietnam to falsify accounting records, financial statements, audit records and audit statements;

e) To conceal violations of law on finance and accounting;

- g) To intimidate, retaliate, force participants in the audit to falsify the results of the audit;
- h) Other acts under regulations of law.

4. Strictly banning organizations and individuals to intervene and prevent unlawful practice operation of practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam; taking advantage of their positions and powers to violate the provisions on granting certificates of sufficient conditions to carry on business of audit services, certificates of registration of auditing practice, inspection, quality control of audit services, discipline and handling of administrative violations in the independent audit activities.

Chapter 2.

AUDITORS AND PRACTICING AUDITORS

Article 14. Standards of auditors

1. Auditors must meet the following standards:

- a) Having full civil act capacity;
- b) Having good morals, sense of responsibility, integrity, honesty, objectivity;
- c) Having degree of university or higher to be of financial, banking, accounting, auditing disciplines or other disciplines as prescribed by the Ministry of Finance;
- d) Having certificates of auditors in accordance with regulations the Ministry of Finance.

2. Where person who have foreign certificates recognized by the Ministry of Finance, passing the examinations in Vietnamese on Vietnam law and meeting fully the standards specified in point a and point b clause 1 of this Article shall be recognized as auditors.

Article 15. Registration of practicing audit

1. Person who meets fully the following conditions is registered for audit practice:

- a) Being auditor;
- b) Having actual working time as auditor for full thirty-six months or more;
- c) Participating fully in the programs of updating knowledge.

2. Person who meets fully the conditions specified in clause 1 of this Article shall be entitled to register the audit practice and to be granted the certificate of registration of auditing practice in accordance with regulations of the Ministry of Finance.

3. Applicant for certificate of registration of auditing practice must pay the fee as prescribed by law.
4. Certificate of registration of auditing practice is valid only when granted person having the labor contract as full-time for an auditing firm, the branch of foreign auditing firm in Vietnam.

Article 16. Those who are not registered audit practice

1. Officials and public servants.
2. Those who are banned from practicing audit upon valid judgments and decisions of the courts; those who are being prosecuted for penal liability; those who have been convicted one of the crimes on economy, position relating to finance and accounting but not be remitted; those who are subject to administrative measures of education at communes, wards and towns, sending into medical facilities, educational institutions.
3. Persons who have criminal records on economic crimes from serious level or more.
4. Those that violate the law on finance, accounting, auditing and economic management are sanctioned for administrative violations within one year from the date of the sanction.
5. Those who are suspended to practice audit.

Article 17. Rights of practicing auditors

When practicing in the auditing firms, branch of foreign auditing firms in Vietnam, practicing auditors have the following rights:

1. To practice audit in accordance with regulations of this Law;
2. To be independent on professional skill;
3. To request the audited unit to provide adequate and timely necessary information, documents and explain the issues related to the audit contents; to request inventory of assets, debt comparison of the audited unit related to the audit contents; to inspect all records and documents related to economic and financial activities of the audited unit inside and outside of the unit during the course of audit;
4. To inspect and confirm the economic, financial information related to the audited unit inside and outside of the unit during the course of audit.
5. To request the concerned organizations and individuals to provide necessary documents and information related to the contents of the audit through the audited unit.
6. Other rights in accordance with regulations of law.

Article 18. Obligations of practicing auditors

When practicing in the auditing firms, branch of foreign auditing firms in Vietnam, practicing auditors are obliged as follows:

1. To comply with principle of independent audit operation;
2. Not to interfere in the operation of clients, audited units during the course of audit;
3. To refuse the audit for clients, audited units if considering that they does not guarantee the independence, insufficient qualifications, conditions in accordance with regulations of law;
4. To refuse the audit in cases clients or audited units request contrary to professional ethical and requirements for professional skill or contrary to the provisions of law;
5. To participate fully in the program of updating annual knowledge;
6. Constantly improve professional knowledge and professional experience;
7. To audit, review the audit records or to sign audit statements and take responsibility for the audit statement and its audit activities;
8. Periodically and irregularly report its audit activities as required by the competent state agency;
9. To comply with the provisions of this Law and the laws of the home country in case of practicing audit in the foreign countries;
10. To executive the requirements for inspection and quality control of audit services in accordance with regulations of the Ministry of Finance;
11. Other obligations in accordance with regulations of law.

Article 19. The cases that practicing auditors are not allowed to audit

Practicing auditors are not allowed to audit in the following cases:

1. as members, founding shareholders, or purchasing shares or capital contribution in the audited unit;
2. as those who hold managerial, administrative positions, members of the inspection committee or chief accountant of the audited units;
3. as those who hold managerial, administrative positions, members of the inspection committee or chief accountant of the audited units for the audited financial year;
4. within two years from the time of resigning the managerial, administrative positions, members of the inspection committee or chief accountant of the audited units;

5. as those who are doing or have done in the preceding year the work of book keeping, making financial statements or internal audit for the audited units;
6. as those who are doing or have done in the preceding year the service which is different from the services specified in clause 5 of this Article affecting the independence of practicing auditors in accordance with provisions of professional ethical standards of accounting and auditing;
7. with their parents, spouse, child, natural brother, sister who have remarkable direct or indirect financial interests in the audited units in accordance with provisions of professional ethical standards of accounting, auditing or those who hold managerial, administrative positions, members of the inspection committee or chief accountant of the audited units;
8. Other cases in accordance with regulations of law.

Chapter 3.

AUDITING FIRMS

Article 20. The types of auditing firms and branches of foreign auditing firms in Vietnam

1. The following enterprises are entitled to carry on business of audit service:
 - a) Limited liability companies with two or more members;
 - b) Partnerships;
 - c) Private enterprises.
2. Branches of foreign auditing firms in Vietnam are carried on business of audit services in accordance with the law regulations.
3. Enterprises, enterprises' branches that are insufficient conditions to carry on business of audit services are not entitled to use the term "audit" in their names.
4. Auditing firms are not entitled to contribute capital to set up another auditing firm, unless the contribution of capital to foreign auditing firms to set up an auditing firm in Vietnam.

Article 21. Conditions for granting certificate of sufficient conditions to carry on business of audit service

1. When the Limited liability Company with two or more members requests for granting certificate of sufficient conditions to carry on business of audit services, must meet fully the following conditions:

- a) Having certificates of business registration, certificate of enterprise registration or certificate of investment in accordance with the law regulations;
 - b) Having at least five practicing auditors, in which must have at least two members contributing capital;
 - c) Legal representative, director, or general director of the limited liability company must be practicing auditor;
 - d) Ensuring the legal capital as stipulated by the Government;
 - đ) Contributed capital portion of member as organization shall not exceed the level set by the Government. Representative of member as organization must be practicing auditor.
2. When Partnerships request for granting certificates of sufficient conditions to carry on business of audit services, must meet fully the following conditions:
- a) Having certificates of business registration, certificate of enterprise registration or certificate of investment in accordance with the law regulations;
 - b) Having at least five practicing auditors, in which must have at least two partners;
 - c) Legal representative, director, or general director of the Partnerships must be practicing auditor;
3. When private enterprises request for granting certificates of sufficient conditions to carry on business of audit services, must meet fully the following conditions:
- a) Having certificates of business registration, certificate of enterprise registration or certificate of investment in accordance with the law regulations;
 - b) Having at least five practicing auditors, including private enterprise owner;
 - c) Private enterprise owner is director as well.
4. When the branches of foreign auditing firms in Vietnam request for granting certificates of sufficient conditions to carry on business of audit services, must meet fully the following conditions:
- a) Foreign auditing firms are allowed to provide independent audit services in accordance with the law regulations of the country where foreign auditing firms locate its head offices;
 - b) Having at least two practicing auditors, including the director or general director of the branch;

c) Directors or general directors of branches of foreign auditing firms are not entitled to hold the managerial, administrative positions of other enterprises in Vietnam;

d) Foreign auditing firms must send documents to the Ministry of Finance ensuring responsibility for all obligations and commitments of branches of foreign auditing firms in Vietnam;

đ) Foreign auditing firms must ensure the maintenance of capital not less than the legal capital level as stipulated by the Government.

5. Within six months from the date of business registration of audit services which auditing firms, branches of foreign auditing firms in Vietnam are not granted certificates of sufficient conditions to carry on business of audit services must conduct the procedures to reject the business line of audit services.

Article 22. Dossiers of application for certificate of sufficient conditions to carry on business of audit services

Dossiers of application for certificate of sufficient conditions to carry on business of audit services include:

1. A written application for certificate of sufficient conditions to carry on business of audit services;

2. A copy of business registration certificate, certificate of enterprise registration certificates or investment certificate;

3. A copy of certificate of registration of practicing audit of the practicing auditors;

4. Full-time labor contracts of practicing auditors;

5. Documents proving the contributed capital for limited liability companies;

6. Other documents provided by the Ministry of Finance.

Article 23. The time limit for granting certificates of sufficient conditions to carry on business of audit services

1. Within thirty days from the date of receiving valid dossiers, the Ministry of Finance issues certificates of sufficient conditions to carry on business of audit services to the auditing firms, branches of foreign auditing firms in Vietnam; in case of refusal, the Ministry of Finance must reply in writing and state clearly the reasons.

2. Where it needs to clarify the issues related to dossier requesting for granting certificates of sufficient conditions to carry on business of audit services, the Ministry of Finance requires

auditing firms, branches of foreign auditing firms in Vietnam that request for certificates of sufficient conditions to carry on business of audit services to explain.

Article 24. Re-granting, modification of Certificates of sufficient conditions to carry on business of audit services

1. Certificates of sufficient conditions to carry on business of audit services shall be re-granted or modified in the following cases:

- a) Having the change of contents of certificate of sufficient conditions to carry on business of audit services;
- b) Certificate of sufficient conditions to carry on business of audit services is lost or damaged;
- c) Division, separation, merger, consolidation, or transformation of ownership form.

2. Dossier of application for re-granting, modifying the certificate of sufficient conditions to carry on business of audit services includes:

- a) Written request for re-granting, modifying the certificate of sufficient conditions to carry on business of audit services;
- b) The original certificate of sufficient conditions to carry on business of audit services which has been granted, except for the case that the original copy is no longer;
- c) Other documents related to the re-granting, modification of certificate of sufficient conditions to carry on business of audit services.

3. Within twenty days from the date of receiving valid dossiers, the Ministry of Finance re-grants, modifies the certificate of sufficient conditions to carry on business of audit services; in case of refusal, the Ministry of Finance must reply in writing, and states clearly the reason.

Article 25. The fees for granting, modifying Certificate of sufficient conditions to carry on business of audit services

1. Auditing firms, branches of foreign auditing firms in Vietnam request for granting, re-granting, modifying Certificate of sufficient conditions to carry on business of audit services must pay fees.

2. Minister of Finance shall prescribe the fees for granting, re-granting, modifying the Certificate of sufficient conditions to carry on business of audit services.

Article 26. The changes must be notified to the Ministry of Finance

Within ten days from the date of change in the following contents, the auditing firms, branches of foreign auditing firms in Vietnam must notify in writing to the Ministry of Finance:

1. List of practicing auditors;
2. Failing to ensure one of the conditions prescribed in Article 21 and Article 31 of this Law;
3. Name, location where places enterprise's head office;
4. Director or general director and legal representative, the rate of contributions of members;
5. Suspension of carrying on business of audit service;
6. Establishment and termination of operations or change of the name and location where locates head office of the branch of carrying on business of audit services;
7. Performance of the splitting, merger, consolidation, transformation, and dissolution.

Article 27. Suspension of business of audit services and withdrawal of certificates of sufficient conditions to carry on business of audit services

1. Auditing firms, branches of foreign auditing firms in Vietnam are suspended the business of audit services as to be of one of the following cases:

- a) Operating not in compliance with the scope of operation of auditing firms specified in clause 1 Article 40 of this Law;
- b) Failing to ensure one of the conditions specified in the clauses 1, 2, 3 and 4 Article 21 of this Law for three consecutive months;
- c) Having serious violations on professional skill or violations on auditing standards, professional ethical standards of accounting and auditing.

2. Auditing firms, branches of foreign auditing firms in Vietnam are withdrawn the Certificate of sufficient conditions to carry on business of audit services as to be of one of the following cases:

- a) Declaring not complying with the reality or cheating, forging documents requesting for issuance of certificate of sufficient conditions to carry on business of audit services;
- b) Failing to carry on business of audit service within 12 consecutive months;
- c) Failing to overcome the violations specified in clause 1 of this Article within sixty days from the date of suspension;
- d) Being dissolved, bankrupted or terminating the business of audit services by themselves;

- d) Being revoked the certificate of business registration, certificate of enterprise registration or certificate of investment;
- e) Foreign auditing firm having auditing branches in Vietnam to be dissolved, bankrupted or license which was withdrawn or its operation suspended by the competent authorities of the countries where such auditing firm locates its head office.
- g) Having violations provided in clause 11 and clause 15 Article 59 of this Law.

3. Auditing firm, branches of foreign auditing firm in Vietnam is withdrawn certificate of sufficient conditions to carry on business of audit services must terminate its business of audit services, since the effective date of decision to withdraw.

4. Ministry of Finance shall specify the suspension of business of audit services and withdrawal of certificates of sufficient conditions to carry on business of audit services and announce the decision to suspend the business of audit services, withdraw the certificate of sufficient conditions to carry on business of audit services within seven days on the website of the Ministry of Finance.

Article 28. Rights of auditing firms, branches of foreign auditing firms in Vietnam

1. Auditing firms have the following rights:

- a) To provide the services stipulated in Article 40 of this Law;
- b) To receive fee;
- c) To establish branches carrying on business of audit service;
- d) To locate its establishment to carry on business of audit service in foreign countries;
- đ) To participate in the international audit organizations, professional organizations on audit;
- e) To request the audited units to provide sufficiently and timely the necessary information, documents and explain issues related to the contents of audit; To request inventory of assets, debt comparison of audited unit related the contents of audit; to inspect all records and documents related to economic and financial operation of the audited unit inside and outside of the unit during the course of audit;
- g) To inspect, confirm the economic and financial information related to the audited unit inside and outside of the unit during the course of audit;
- h) To request the concerned organizations and individuals to provide necessary documents and information related to the contents of the audit through the audited unit;

i) Other rights in accordance with the law regulations.

2. Branches of foreign auditing firms in Vietnam have the rights stipulated in point a, b, e, g, h and i clause 1 of this Article.

Article 29. The obligations of auditing firms, branches of foreign auditing firms in Vietnam

1. To operate under the contents stated in the certificate of sufficient conditions to carry on business of audit services.

2. To allocate staffs with appropriate qualifications to ensure the quality of audit services; to manage professional activities of practicing auditors.

3. Annually report the list of practicing auditors to the competent state agency;

4. To pay compensation for damage to the clients, the audited units on the basis of the audit contracts and under the provisions of law.

5. To purchase professional liability insurance for practicing auditors or to set up professional risk reserve fund in accordance with provisions of the Ministry of Finance.

6. To notify the audited unit when seeing that the audited unit has signs of law violation on economy, finance, accounting.

7. To provide information on the practicing auditors and auditing firms, branches of foreign auditing firms in Vietnam to the competent state agencies.

8. To provide audit records, documents as requested in writing by the state the competent state agencies.

9. To report periodically or irregularly the independent audit activities.

10. To provide timely, completely, accurately information and documents as requested by the competent agencies in the process of examination, inspection, and take responsibility for the accuracy and truthfulness of the information and documents which were supplied; to comply with provisions of competent state agencies for the examination, inspection.

11. To take responsibility before the law, clients for the audit results under audit contracts signed.

12. To take responsibility with the person who uses the audit results when such person:

a) Has benefit directly related to the audit results of the audited unit at the date of signing the audit statement;

b) Has a reasonable understanding on the financial statements and the basis for making the financial statements to be the accounting standards, the accounting regime and other provisions of concerned law;

c) Has used carefully the information in the financial statements audited.

13. To refuse to conduct audit when deemed not guaranteeing the independence, inadequate qualifications, insufficient conditions for conducting audit.

14. To refuse to conduct audit when clients, audited units request contrary to professional ethical, professional skill requirements or contrary to provisions of law.

15. To organize operation quality audit and to be subject to quality audit of audit services in accordance with provisions of the Ministry of Finance.

16. Other obligations in accordance with the law regulations.

Article 30. The cases that auditing firms and branches of foreign auditing firms in Vietnam are not entitled to audit

1. Auditing firms are not entitled to perform audit in the following cases:

a) Doing or having done in the preceding year the work of book keeping, making financial statement, or internal audit to the audited unit;

b) Doing or having done in the preceding year the services different from the services specified in point a of this clause affecting the independence of practicing auditors and auditing firms in accordance with provisions of the professional ethical standard of accounting, auditing.

c) Members participating in the audit, managers, administrators of the auditing firms being founding members, shareholders or purchasing shares or contributing capital into the audited units or having other economic, financial relations with the audited units in accordance with provisions of professional ethical standards of accounting and auditing;

d) Persons who are responsible for managing, administering the auditing firms have parents, spouse, child, natural brother, sister being founding members, shareholders or purchasing shares or contributing capital into the audited units and having significant influence on the audited units or persons who are responsible for management, administration, members of the inspection committee or the chief accountants of the audited units;

đ) Persons who are responsible for management, administration, members of the inspection committee or the chief accountants of the audited units and are the persons who contribute capital as well and have significant influence on the audited units;

- e) Auditing firms and audited units established or participated in the establishment by the same individual or enterprise or organization;
- g) Audited unit has made in the preceding year or ongoing the audit of financial statements for its own;
- h) Other cases in accordance with law regulations.

2. Branches of foreign auditing firms in Vietnam are not entitled to conduct audit in the following cases:

- a) Doing or having done in the preceding year the work of book keeping, making financial statement, or internal audit to the audited unit;
- b) Doing or having done in the preceding year the services different from the services specified in point a of this clause affecting the independence of practicing auditors and the branches in accordance with provisions of the professional ethical standard of accounting, auditing;
- c) Members participating in the audit, managers, administrators of the branches being founding members, shareholders or purchasing shares or contributing capital into the audited units or having other economic, financial relations with the audited units in accordance with provisions of professional ethical standards of accounting and auditing;
- d) Persons who are responsible for managing, administering the branches have parents, spouse, child, natural brother, sister being founding members, shareholders or purchasing shares or contributing capital and having significant influence on the audited units or persons who are responsible for management, administration, members of the inspection committee or the chief accountants of the audited units;
- đ) Persons who are responsible for management, administration, members of the inspection committee or the chief accountants of the audited units and are the persons who have significant influence on the branches as well in accordance with provisions of professional ethical standards of accounting and auditing;
- e) Audited unit has made in the preceding year or ongoing the audit of financial statements for its own branches;
- g) Other cases in accordance with law regulations.

Article 31. Branches of auditing firms

1. Conditions for the branches of auditing firms entitled to carry on business of audit services:

- a) Auditing firms have sufficient conditions to carry on business of audit services as stipulated in Article 21 of this Law;
 - b) A branch has at least two practicing auditors, including the branch director. Two practicing auditors are not at the same time as auditor registering to practice in the head office or other branches of auditing firms.
 - c) Being approved in writing by the Ministry of Finance.
2. Branch of the auditing firm not ensuring conditions specified in clause 1 of this Article after three consecutive months shall be suspended from trading the audit services.
 3. Where the auditing firm is suspended from trading the audit services, the branches of such auditing firm also suspended from trading the audit services.

Article 32. Establishments of foreign auditing firms

1. Auditing firms are established its establishments of trading audit services in foreign countries in accordance with provisions of the investment laws of Vietnam and the laws of the home countries.
2. Within thirty days from the date of establishment or termination of operations of the business establishment of overseas audit services, the auditing firm must notify in writing together with copies of documents on the establishment or termination of the operation of the establishment to the Ministry of Finance.

Article 33. Temporary Suspension of carrying on business of audit services

1. Auditing firms, branches of foreign auditing firms in Vietnam are entitled to suspend temporarily the audit services business; however the time limit for temporary suspension does not exceed twelve consecutive months.
2. Auditing firms suspend temporarily to carry on business its audit services, its branches must also suspend temporarily to carry on business its audit services.
3. Auditing firms, branches of foreign auditing firms in Vietnam suspend temporarily to carry on business its audit services but have not completed yet the audit contracts signed with clients; they must deal with clients on the performance of such contracts.
4. When re-operating, auditing firms, branches of foreign auditing firms in Vietnam must ensure the conditions in accordance with provisions of the law and must notify in writing to the Ministry of Finance no later than ten days prior to the re-operating date.

Article 34. Termination of carrying on business of audit services

1. Auditing firms terminate the business of audit services in the following cases:

- a) To terminate by themselves;
- b) To be divided, separated, merged, consolidated, dissolved;
- c) To be withdrawn business registration certificate, certificate of enterprise registration, investment certificate or certificate of sufficient conditions to carry on business of audit services;
- d) Director of the private enterprise is deceased;
- d) Other cases in accordance with regulations of the law on enterprises.

2. Branches of foreign auditing firms in Vietnam terminate the business of audit services in the following cases:

- a) As decided by the foreign auditing firm that has established its branch;
- b) According to provisions in point c and point d clause 1 of this Article.

3. In case of termination of the business of audit services as stipulated in point a clause 1 of this Article, the auditing firm must notify in writing to the Ministry of Finance no later than thirty days prior to the termination date.

4. The Ministry of Finance shall specify the procedures for termination of the business of audit services.

Article 35. Termination of operation of branches of auditing firms

1. Branches of auditing firms terminate its operation in the following cases:

- a) As decided by the auditing firm that has established its branch;
- b) The auditing firms that have established the branch terminating its operation;
- c) Other cases in accordance with regulations of law on enterprises.

2. Auditing firms have the rights and perform the obligations of its branches and resolve the issues related to the termination of operation of its branch.

Article 36. Foreign auditing firms

Foreign auditing firms perform the audits in Vietnam in the following forms:

1. Contributing capital to the auditing firm that has been established and operating in Vietnam to establish an auditing firm;

2. Establishing branches of foreign auditing firms;
3. Providing audit services across the border in accordance with the Government's provisions.

Chapter 6.

THE AUDITED UNITS

Article 37. The audited units

1. The enterprises and organizations that as prescribed by law, their annual financial statements must be audited by the foreign auditing firms, branches of foreign auditing firms in Vietnam, including:

- a) Enterprises with foreign investment;
- b) Credit institutions established and operating under the Law on Credit Institutions;
- c) Financial institutions, insurance enterprises, insurance brokerage firms.
- d) Public companies, issuers, and securities trading organizations.

2. Enterprises and organizations that must be audited by the foreign auditing firms, branches of foreign auditing firms in Vietnam, including:

- a) State owned enterprises, except for the state owned enterprises operating in the field of state secrets as prescribed by law, must be audited for the annual financial statements;
- b) Enterprises, organizations implementing the national important projects, group-A projects using state funds, except for the projects in the field of state secrets as prescribed by law, must be audited for the settlement report of completed projects;
- c) Enterprises and organizations with state contributed capital and the projects funded by other State capital prescribed by the Government, must be audited for the annual financial statements or the settlement report of completed projects;
- d) Auditing firms, branches of foreign auditing firms in Vietnam must be audited for the annual financial statements.

3. The audit for financial statements and reports on the settlement of completed projects for enterprises and organizations specified in points a, b and c clause 2 of this Article does not substitute for the audit of the State Auditor.

4. Enterprises and organizations voluntarily audited.

Article 38. Rights of the audited units

1. To select the auditing firm, branch of foreign auditing firms in Vietnam and practicing auditor having enough conditions to practice under provisions of law to conclude the audit contracts, except for otherwise provided for by law.
2. To require the auditing firms, branches of foreign auditing firms in Vietnam to provide information in the registration documents for audit practice and information on practicing auditors and auditing firms, branch of foreign auditing firm in Vietnam to conducting the audits.
3. To refuse to provide information and documents which are not related to the content of the audit.
4. To request replacement of members participating in the audit when having evidence that such member violates the principle of independent audit activity during the audit.
5. To discuss, explain in writing on the issues raised in the draft of audit statement if inappropriate.
6. To complaint the acts of participants in the audit during the audit when having evidence that such act is unlawful.
7. To demand compensation in case of auditing firms, branches of foreign auditing firms in Vietnam, cause damages.
8. Other rights in accordance with the law regulations.

Article 39. Obligations of the audited units

1. To provide fully, accurately, truthfully, timely, objectively the necessary information and documents under the requirements of practicing auditors and auditing firms, branches of foreign auditing firms in Vietnam and take responsibility before the law for the information and documents provided.
2. To implement the requirements of practicing auditors and auditing firms, branches of foreign auditing firms in Vietnam on the collection of audit evidence as required by auditing standards and correction of errors for the audit statement having no exception idea for the contents which are not allowed to except as stipulated in clause 2 and clause 3 of Article 48 of this Law. In case of not conducting the correction of errors upon the opinion of the auditing firms, branches of foreign auditing firms in Vietnam, the audited unit must explain in writing as required by the competent state agency, representatives of the owners of audited units.
3. To coordinate, create conditions for the practicing auditors to perform the audits.

4. Not to have acts of restriction of the scope of issues need to be audited.
5. To consider the proposal of auditing firm, branch of foreign auditing firm in Vietnam on the existing, errors in financial statements and in the compliance with the law to remedy promptly.
6. To notify promptly and fully the law violations and breach of audit contract in the audit activity of practicing auditors and auditing firms, branches of foreign auditing firms in Vietnam to the competent state agencies.
7. To pay fees for audit services under agreements stated in the contract.
8. Where concluding the audit contract with an auditing firm, branch of foreign auditing firm in Vietnam for three consecutive years or more, it shall require auditing firm, branch of foreign auditing firm in Vietnam to change the practicing auditors who sign the audit statement.
9. Other obligations in accordance with the law regulations.

Chapter 5.

ACTIVITIES OF INDEPENDENT AUDIT

ITEM 1. ACTIVITIES OF AUDITING FIRMS

Article 40. Scope of activities of auditing firms, branches of foreign auditing firms in Vietnam

1. Auditing firms, branches of foreign auditing firms in Vietnam perform the following services:
 - a) The audit services, including audit of financial statements and audit of activities, audit of compliance, audit of reports on the settlement of completed projects, audit of financial statements for tax purposes and the other audits;
 - b) Service of reviewing financial statements, financial information and other assurance services.
2. Apart from the services specified in clause 1 of this Article, the auditing firms are entitled to register for the performance of the following services:
 - a) Consultancy of economy, finance, taxes;
 - b) Consultancy of management, conversion, and restructuring of enterprises;
 - c) Consultancy of information technology application in the management of enterprises and organizations;
 - d) Accounting services in accordance with provisions of accounting legislation;

- d) Valuation of assets and business risk assessment;
- e) Services of fostering knowledge of finance, accounting, and auditing;
- g) Other related services in finance, accounting, tax as prescribed by law.

3. Enterprises that have been granted certificates of sufficient conditions to carry on business of audit services in accordance with this Law shall be performed accounting services in accordance with provisions of accounting legislation without registration.

4. When performing the services specified in clause 1 and clause 2 of this Article, the auditing firm must meet all conditions as prescribed by this Law and other provisions of concerned law.

Article 41. Receipt of audit services

1. Auditing firms, branches of foreign auditing firms in Vietnam are entitled to receive the audit services only in accordance with their capabilities within the client's requirements.

2. Upon receipt of audit services, auditing firms, branches of foreign auditing firms in Vietnam must inform clients of the rights, obligations, and their professional responsibilities in the performance of audit services, limitation of financial liability of auditing firms, branches of foreign auditing firms in Vietnam and practicing auditors when occurring audit risk.

3. Auditing firms, branches of foreign auditing firms in Vietnam are not entitled to transfer the audit services that they have concluded contract to the other auditing firms, branches of foreign auditing firms in Vietnam, except for the case the client agrees.

4. Auditing firms, branches of foreign auditing firms in Vietnam must appoint a person who is in charge of each audit. Person who is in charge of the audit must be the practicing auditor. The audit statement must be signed by the person who is in charge of the audit

Article 42. Audit contracts

1. Auditing firms, branches of foreign auditing firms in Vietnam implement the audit services under the audit contract.

2. Audit contract is an agreement between auditing firms and branches of foreign auditing firms in Vietnam with clients on the performance of audit services. The contract audit shall be made in writing and contains the following main contents:

- a) Names and addresses of clients or clients' representatives, representatives of the auditing firms, branches of foreign auditing firms in Vietnam;
- b) The purpose, scope and contents of audit services, term of the audit contract;

- c) The rights, obligations and responsibilities of the parties;
- d) The form of audit statement and other forms expressing the audit results such as the management letter and other reports;
- d) Audit service fees and other expenses agreed by the parties

Article 43. Obligations of confidentiality

1. Practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam are not entitled to disclose information of audit records, clients, the audited units, unless the clients, audited units approve or as prescribed by law.
2. Practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam are not entitled to use information of audit records, clients, audited units to infringe the interests of the State, public interests, rights and lawful interests of agencies, organizations and individuals.
3. Auditing firms, branches of foreign auditing firms in Vietnam must set up and operate the internal control systems to ensure the implementation of confidentiality obligations.
4. The State agencies, professional organizations on audit and concerned individuals are obliged to keep confidential information provided on the audit records, clients, audited units in accordance with the law regulations.

Article 44. Audit service fees

1. Fees for audit services agreed by auditing firms, branches of foreign auditing firms in Vietnam and the client in the audit contracts upon the following bases:
 - a) The contents, volume and nature of work;
 - b) Time and working conditions of practicing auditors, auditors used to perform the services;
 - c) Qualifications, experience and reputation of practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam;
 - d) The level of responsibility and time limit that the performance of services requires
2. Audit service fees are calculated by the following methods:
 - a) Working hours of practicing auditors, auditors;
 - b) Each audit service with a fee package;
 - c) The audit contract of many terms with a fixed fee for each term

Article 45. Process of audit

1. Audit process includes the following steps:

- a) To accept, keep clients and make audit planning;
- b) To perform audits;
- c) To terminate the audit, make the audit statement and handle the after-audit.

2. Practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam perform the steps of the audit process upon the audit standards.

ITEM 2. AUDIT STATEMENT

Article 46. Audit statement on financial statement

The audit statement on financial statements is made in accordance with provisions of the auditing standards and contains the following contents:

- a) The objects of the audit;
- b) Responsibilities of the audited unit and the auditing firms, branches of foreign auditing firms in Vietnam;
- c) The scope and basis for the audit;
- d) Location and time for making the audit statement;
- d) Audit opinion on financial statements which have been audited;
- e) Other contents in accordance with provisions of auditing standards.

2. The date of signing the audit statement is not before the date of signing the financial statement.

3. The audit statement must be signed by the practicing auditor who is assigned to perform the audit by auditing firm, branch of foreign auditing firm in Vietnam and the legal representative of the auditing firm or person who is authorized in writing by the legal representative. Person who is authorized in writing by the legal representative must be a practicing auditor.

4. The audit statement on consolidated financial statements of the groups, corporations in the model of parent - subsidiary company is done in accordance with provisions of auditing standards.

Article 47. Audit statements on other audit works

The audit statement on the other audit works shall be made on the basis of provisions in Article 46 of this Law and auditing standards consistent with each audit.

Article 48. Audit Opinion

1. Based on the result of the audit, the practicing auditor and auditing firm, branch of foreign auditing firm in Vietnam must express their opinion on the financial statement and other contents which have been audited under the regulations of auditing standards.
2. The Ministry of Finance shall prescribe the contents which are not entitled to except in the audit statement in accordance with auditing standards.
3. The competent State administration agencies, representative for the owner of the audited unit may request the auditing firms, branches of foreign auditing firms in Vietnam and the audited unit to explain on the contents excepted in the audit statement.

ITEM 3. AUDIT DOSSIER

Article 49. Audit dossier

1. Practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam must collect and record sufficient necessary documents and information in the audit profile relating to each audit to make the basis for forming their audit opinion and demonstrate that the audit was conducted in accordance with the law regulations and auditing standards.
2. Practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam must be documented audit profile in accordance with provisions of auditing standards.

Article 50. Preservation and archiving of audit records

1. Audit records must be kept fully and safely during the course of use.
2. Audit records must be archived for a period of twelve months from the date of issuance of audit statement of the audit. The time limit for archiving audit records is at least ten years.
3. The legal representatives of the auditing firms, branches of foreign auditing firms in Vietnam must be responsible for preservation, archiving of audit records safely, adequately, legally and securely.
4. Audit records to be archived must be completed, systematic, classified, and arranged into each private record according to the chronological order of appearance and each audit contract, each audit.

5. The Government provides for in detail on the archiving, use and destruction of the audit records.

Article 51. Dossiers, documents on related services

The preservation, archiving, use, and destruction of records, documents, and related services specified in point b clause 1 Article 40 of this Law shall comply with the provisions of Article 49 and Article 50 of this Law.

Item 4. QUALITY CONTROL OF AUDIT SERVICES

Article 52. Quality control of audit services

1. Auditing firms, branches of foreign auditing firms in Vietnam must develop and implement control systems of service quality specified in clause 1 Article 40 of this Law, the policies and procedures for quality control for each audit.
2. Auditing firms, branches of foreign auditing firms in Vietnam are subject to the control of the competent bodies on the quality of services specified in clause 1 Article 40 of this Law.
3. The Ministry of Finance is entitled to mobilize auditors and practicing auditors and other experts in the implementation of quality control of audit services. The mobilization and allocation of participants in the quality control must ensure the principle of independence and objectivity.
4. If necessary, the Minister of Finance sets up a professional council to advise the handling of the proposals on audit statements and audit quality.
5. The Ministry of Finance shall prescribe the regulations to control quality of services specified in clause 1 Article 40 of this Law.

Chapter 6.

AUDIT OF FINANCIAL STATEMENTS OF UNITS WITH PUBLIC INTEREST

Article 53. Units with the public interest

1. Credit institutions established and operating under the Law on Credit Institutions.
2. Financial institutions, insurance enterprises, insurance brokerage enterprises.
3. Public companies, issuers, securities trading organizations in accordance with provisions of legislation on securities.
4. Other enterprises and organizations related to the interests of the public due to the nature and scale of operation of such unit in accordance with the law regulations

Article 54. Approval of the enterprises entitled to audit the financial statements of the units with public interest

1. Auditing firms, branches of foreign auditing firms in Vietnam audit the financial statements of the units with the public interest must be approved by the competent agencies.
2. Ministry of Finance stipulates the standards, selection conditions, procedures for reviewing, approving, and the cases of suspension or revocation as status of auditing firms, branches of foreign auditing firms in Vietnam and the practicing auditors who are audited the financial statements of the units with the public interest, unless otherwise provided for by law.

Article 55. Disclosure of information of the auditing firms, branches of foreign auditing firms in Vietnam, the practicing auditors who are approved for the audits of financial statements of the units with the public interest

Information on auditing firms and branches of foreign auditing firms in Vietnam, the practicing auditors who are approved for the audits of financial statements of the units with the public interest must be disclosed including:

1. Information on practicing auditors, auditing firms, branches of foreign auditing firms in Vietnam;
2. Information related to quality assurance;
3. Information relating to the inspection, discipline, handling of violations and settlement of disputes and monitoring of the disclosure.

Article 56. Transparency Report

1. Auditing firms, branches of foreign auditing firms in Vietnam that are qualified, sufficient conditions for approval of the audit of financial statements of the units with the public interest must disclose information on their websites on annual transparency reports within ninety days from the date of ending the fiscal year.
2. The transparency reports must be signed by the legal representatives of the auditing firms, branches of foreign auditing firms in Vietnam.
3. The Ministry of Finance shall specify the contents of the transparency report provided in clause 1 of this Article.

Article 57. Responsibilities of the units with the public interest

1. To construct and operate the internal control systems appropriately and effectively.

2. To organize the internal audit in accordance with the law regulations to protect the safety of assets; to assess the quality and the reliability of the information of economy, finance, the observance of laws, regime and policies of the State and provisions of the units.

Article 58. The independence and objectivity

1. Auditing firms, branches of foreign auditing firms in Vietnam are not entitled to arrange practicing auditors to audit for a unit with the public interest in the five consecutive fiscal years.
2. Practicing auditors who were conducted the audit for the units with the public interest are only held managerial, administrative positions, inspection committee members, and chief accountants of the units with the public interest twelve months after the date of ending the audit.

Chapter 7.

HANDLING OF VIOLATIONS AND SETTLEMENT OF DISPUTES

Article 59. Law violations on independent audit

Law violations on independent audit include:

1. Carrying on business of audit services without the certificate of sufficient conditions for business of audit services or not complying with the contents of the certificate of sufficient conditions for business of audit services;
2. Individuals who sign audit statements without sufficient conditions as the practicing auditors;
3. Violation of regulations on business registration of audit services, audit-practice registration;
4. Violation of regulations on inspection and quality control of audit services of the Ministry of Finance;
5. Violation of regulations for auditing the financial statements of the units with the public interest;
6. Violation of the information confidentiality rules related to audit records, clients and audited units;
7. Performance of prohibited acts provided in Article 13 of this Law;
8. Violation of regulations on the cases which are not entitled to perform audit services specified in Article 19 and Article 30 of this Law;

9. Carrying on business of audit services without sufficient number of practicing auditors in accordance with regulations of this Law; violation of the provisions on legal capital, purchase of professional liability insurance or establishment of occupational risk reserve fund;
10. Due to carelessness leading to errors or distorting the audit results, audit records;
11. Deliberately certifying financial statement with fraud, mistake, or colluding to falsify accounting records, audit records and providing false information and report data;
12. Violation of regulations on the establishment, collection, classification, use, storage, archiving audit records and documents of other relevant services;
13. Untruthful declaration to be issued certificates of audit practice registration and certificates of sufficient conditions for business of audit services;
14. Fraud to be issued certificates of audit practice registration and certificates of sufficient conditions for business of audit services;
15. Forging, erasing, and fixing certificates of audit practice registration and certificates of sufficient conditions for business of audit services.
16. Violation of the principles of independent audit activities;
17. Reporting untruthfully or failing to implement the reporting regime as prescribed;
18. Audited units violating the provisions of the clauses 1, 2, 3 and 4 of Article 39 of this Law.
19. Other acts of violating law on independent audit.

Article 60. Handling of violations of law on independent audit

1. Organizations and individuals violate the provisions in Article 59 of this Law shall be handled according to the following forms:
 - a) Caution;
 - b) Fine;
 - c) Apart from the handling forms specified in point a and point b of this clause, breaching organizations and individuals may be revoked certificate of sufficient conditions for business of audit services, certificates of auditors, certificates of audit practice registration, suspended or banned from operating independent audit.
2. Individuals who violate the provisions of this Law shall, depending on the nature and seriousness of violations, also be prosecuted for criminal liability.

3. Organizations and individuals violate the provisions of this Law, apart from the penalties as specified in clause 1 and clause 2 of this Article may also be posted on the website of the Ministry of Finance or of the professional organizations on audit, if causing damage, they must pay compensation in accordance with the law regulations.

4. The Government specifies the handling of law violations on independent audit.

Article 61. Settlement of disputes on independent audit

1. Disputes over the independent audit are settled as follows:

- a) The parties are responsible for self-mediation of the dispute;
- b) If the mediation is failed, the disputing parties may bring in lawsuits under the law regulations.

2. The prescription of entering a lawsuit for requirement to settle disputes on independent audit is three years from the date of signing the audit statement.

Chapter 8.

IMPLEMENTATION PROVISIONS

Article 62. Transfer provisions

1. Within two years from the effective date of this Law, the firms that provide audit services before the effective date of this Law ensuring the conditions in accordance with regulations of this Law shall be granted certificates of sufficient conditions for business of audit services.

2. Within three years from the effective date of this Law, those who have been granted certificates of auditors before the effective date of this Law are registered to practice audit in accordance with regulations of this Law without ensuring conditions on actual time working as auditors provided in point b clause 1 Article 15 of this Law.

3. One member liability limited auditing firms with the foreign investment established and operating in accordance with the law regulations before the effective date of this Law are allowed to operate in the form of one member limited liability Company until the expiry of the investment certificates or investment licenses.

Article 63. Effect

This Law takes effect on January 01, 2012.

Article 64. Specific provisions and guidance of implementation

The Government details and guides the implementation of the Articles, clauses assigned in the Law; guides the other necessary contents in this law to meet the State management requirements.

This Law is passed by the Legislature XII National Assembly of the Socialist Republic of Vietnam at its 9th Session on March 29, 2011.

PRESIDENT OF THE NATIONAL ASSEMBLY

Nguyen Phu Trong

DCPA.COM.VN