

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

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DECREE

PENALTIES FOR ADMINISTRATIVE VIOLATIONS IN THE FIELDS OF ACCOUNTING AND INDEPENDENT AUDIT

Pursuant to the Law on Government organization dated June 19, 2015;

Pursuant to the Law on Handling Administrative Violations dated June 20, 2012;

Pursuant to the Law on Accounting dated November 20, 2015;

Pursuant to the Law on Independent Audit dated March 29, 2012;

At the request of the Minister of Finance;

The Government promulgates a Decree on penalties for administrative violations in the fields of accounting and independent audit.

Chapter I

GENERAL PROVISIONS

Article 1. Scope

1. The Decree provides for administrative violations, time limit for penalty impositions, penalties, fines, remedial measures, competence to record and impose penalties for administrative violations in the fields of accounting and independent audit regulated by this Decree.
2. Administrative violations related to the fields of accounting and independent audit but not specified in this Decree will incur penalties in accordance with other Government's Decrees on imposing penalties for administrative violations in the relevant state management fields.

Article 2. Regulated entities

1. Individuals and organizations, both domestic and foreign (hereinafter referred to as "entities") who commit administrative violations regulated by this Decree.

2. Business households and cooperative groups violating the regulations stated in the Decree will incur the same penalties as those imposed on individual offenders.

3. Organizations facing penalties for administrative violations regulated by this Decree include:

a) Regulatory agencies who commit violations which are not related to their management duties;

b) Organizations and public service providers using state budget;

b) Organizations and public service providers not using state budget;

d) Enterprises established in and operating under the laws of Vietnam; branches and representative offices of foreign enterprises operating in Vietnam;

dd) Cooperatives and cooperative associations;

e) Professional organizations and training facilities in the fields of accounting and auditing;

g) Foreign organizations that earn incomes from providing services or goods-related services in Vietnam.

4. Those with competence to issue penalty records and impose penalties for administrative violations and other relevant entities.

Article 3. Statute of limitation

1. The time limit for imposition of penalties for administrative violations in the field of accounting is 2 years.

2. The time limit for imposition of penalties for administrative violations in the field of independent audit is 1 year.

3. Time limits for imposition of penalties for administrative violations specified in Clauses 1 and 2 of this Article:

a) For completed administrative violations, the time limit starts on the time of completion of that violation;

a) For ongoing administrative violations, the time limit starts on the time of discovery of that violation;

4. In case of penalties for administrative violations committed by individuals being transferred from presiding authorities, the time limit shall be determined in accordance with Clauses 1, 2 and 3 of this Article. The time the presiding authority spends on handling the case counts towards the time limit.

5. During the period specified in Clauses 1, 2 and 3 of this Article, if the violator deliberately evades or obstructs the penalty imposition, the time limit will be reset to the date on which the violator stops evading or obstructing the penalty imposition.

Article 4. Penalties

1. Primary penalties:

For each administrative violation regulated by this Decree, the violator will receive either:

- a) a warning; or
- b) a fine.

2. Additional penalties:

Depending on the nature and seriousness of the violation, the entity who commits administrative violations regulated by this Decree may also incur one or several additional penalties as specified below:

- a) Suspension of certificate of registration for accounting practice or certificate of registration for auditing practice for 3-6 months.
- b) Suspension of certificate of eligibility for providing accounting services or certificate of eligibility for providing audit services for 1-2 months;
- c) Suspension from running refresher courses for 1-3 months;
- d) Confiscation of evidence of administrative violations.

Article 5. Remedial measures

Entities who commit administrative violations regulated by this Decree, in addition to incurring penalties specified in Article 4 of this Decree, may also be required to:

- 1. Add missing contents of accounting records;
- 2. Destroy forged or falsified accounting records;
- 3. Make records for economic/financial transactions that have not had those before;
- 4. Destroy the excess accounting records.
- 5. Add missing contents of accounting books;

6. Adjust the accounting book to the actual data in case of no accounting record backing up the existing figures or the accounting book's figures do not match those of the accounting records;
7. Adjust the accounting book to the actual data if the accounting books' figures lack continuity between consecutive years;
8. Add omitted assets and liabilities belonging or related to the accounting unit to the accounting book;
9. Restore the accounting book;
10. Make and present financial statements which conform to accounting regulations and standards;
11. Submit and disclose the audit statement attached to the financial statement;
12. Rectify false or misleading information;
13. Appoint or hire accountants, chief accountants and accounting managers who meet all standards and conditions;
14. Return illegal profits earned by administrative violations.

Article 6. Fines

1. The maximum fine for an administrative violation regulated by this decree committed by an individual is VND 50.000.000; the maximum fine for an administrative violation committed by an organization is VND 100.000.000.
2. The fines specified in Chapter II of this Decree are imposed upon organizations except cases specified in Clause 1 of Articles 7; 8; 9; 10; 11; 13; 14; 15; 16; 17; Article 19; Clauses 1 and 3 of Articles 21; 22; Articles 23; 24; 26; 33; 34; Clauses 1 and 3 of Article 36; Clauses 1 of Article 38; Clauses 2 and 3 of Article 39; Clauses 1 and 2 of Article 48; Clause 1 of Article 57; Clauses 1 and 2 of Article 61; Article 67, which are fines that apply to individuals. For organizations with the same violations, the fines will double those of individuals.
3. The maximum fines the persons specified in Chapter III of this Decree may impose are fines for one administrative violation committed by an individual. The maximum fine imposed upon an organization for the same violation is twice the maximum fine imposed on an individual.

Chapter II

PENALTIES AND FINES FOR ACCOUNTING-RELATED VIOLATIONS

Section 1. VIOLATIONS IN ACCOUNTING WORKS

Article 7. Penalties for violations against accounting law's general provisions

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Misapplication of regulations on letters and numbers in accounting;
- b) Misapplication of regulations on monetary units in accounting;
- c) Misapplication of regulations on accounting periods;
- d) Misapplication of applicable accounting regulations.

2. A fine of VND 20.000.000 to VND 30.000.000 shall be imposed for promulgating or publishing accounting standards, audit standards or accounting regulations ultra vires.

Article 8. Penalties for violations against regulations on accounting records

1. A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed for one of the following violations:

- a) Accounting record forms having insufficient mandatory content;
- b) Tampering with accounting records;
- c) Red or faded signatures on accounting records;
- d) Using signature stamps on accounting records;
- dd) Expense records do not have signatures on all copies.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

- a) The accounting record having insufficient copies as specified in the regulations;
- b) Signing accounting records which have insufficient contents;
- c) Signing accounting records ultra vires;
- d) Inconsistent signatures or signatures not matching those in the signature registry;
- dd) Accounting records having insufficient signatures as specified in those records;
- e) Failure to translate accounting records in foreign language to Vietnamese;

g) Loss or damage of accounting documents and records while in use.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for one of the following violations:

a) Forging or providing false information in accounting records but not serious enough for criminal prosecution;

b) Forging or providing false information in accounting records by means of collusion or coercion but not serious enough for criminal prosecution;

c) Inconsistency in the contents of copies of accounting records for the same transaction;

d) Failure to make accounting records for every economic/financial transaction;

dd) Make multiple accounting records for an economic/financial transaction;

e) Spending without sufficient signatures on the expense records as specified in the law on accounting.

4. Remedial measures:

a) Make sure the forms of accounting records mentioned in Point a, Clause 1 of this Article have sufficient mandatory content;

b) Destroy forged or falsified records in case of the violation specified in Point a, Clause 3 of this Article;

c) Make records for economic/financial transactions without them in the cases specified in Point d, Clause 3 of this Article;

d) Destroy the economic/financial transaction's multiple records in case of the violation specified in Point e, Clause 3 of this Article.

Article 9. Penalties for violations against regulations on accounting books

1. A fine ranging from VND 1.000.000 to VND 2.000.000 shall be imposed in the following cases:

a) The accounting book does not have the accounting unit's name; the accounting book's name and date of creation; lack of signatures of the book's creator, the chief accountant and the accounting unit's legal representative; page numbers; seal on joining page on the physical accounting book;

b) The accounting book is not written in ink (except electronic accounting books), new lines being inserted between or written on existing lines, the lines having space in between; the blank

pages are not crossed out, the figures on one page are not totaled up, the total figure on one page are not transferred to the following page;

c) Each accounting period does not have a separate accounting book or the printed books do not have sufficient signatures and seals (except electronic accounting books which are not required to be printed out);

d) The accounting book's template does not have sufficient primary content;

2. A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed in the following cases:

a) The accounting book does not have sufficient primary content;

b) The accounting book is adjusted against the regulated methods;

c) Failure to print the required accounting books after closing the electronic accounting book.

3. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed in the following cases:

a) Failure to open the accounting book at the start of a fiscal year or the accounting unit's founding day;

b) No accounting record backing up the existing figures or the accounting book's figures do not match those of the accounting records;

c) The accounting books' figures lack continuity between consecutive years or within an accounting period;

d) Failure to close the accounting book when it is required by law.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed in the following cases:

a) Destroy the accounting book before the designated time or deliberately damage the accounting book;

b) Omit the assets and liabilities belonging or related to the accounting unit but not serious enough for criminal prosecution.

5. Remedial measures:

a) Make sure the accounting book mentioned in Point a, Clause 1 of this Article has sufficient mandatory content;

- b) Amending the accounting book to match the actual data in case of no accounting record backing up the existing figures or the figures of the accounting book do not match those of the accounting records, as specified in Point b, Clause 3 of this Article;
- c) Adjust the accounting books to the actual data if the accounting books' figures lack continuity between consecutive years, as specified in Point c, Clause 3 of this Article;
- d) Restore the accounting book mentioned in Point a Clause 4 of this Article;
- dd) Add omitted assets and liabilities belonging or related to the accounting unit mentioned in Point b, Clause 4 of this Article to the accounting book.

Article 10. Penalties for violations against regulations on accounts

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

- a) Failure to carry out bookkeeping as specified in the account;
- b) Modifying the account's bookkeeping contents and methods, or opening additional accounts without the Ministry of Finance's approval required.

2. A fine ranging from VND 10.000.000 to 20.000.000 VND shall be imposed for failure to comply with the account system promulgated or approved by the Ministry of Finance.

Article 11. Penalties for violations against regulations on creation and presentation of financial statements

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed in the following cases

- a) The financial statement does not have sufficient contents or does not follow the standard form;
- b) The financial statement lacks the signature of the creator, chief accountant, accounting manager or the accounting unit's legal representative.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Failure to make sufficient financial statements;
- b) Applying a financial statement form other than the one specified in accounting standards and regulations except when approved by the Ministry of Finance.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed in the following cases:

a) Failure to make financial statements;

b) The financial statement's figures do not match those in the accounting book or accounting records;

c) Make and present financial statements against accounting regulations and standards;

4. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed in the following cases:

a) Forge financial statements or falsify figures but not serious enough for criminal prosecution;

b) Forge financial statements falsify figures by means of collusion or coercion but not serious enough for criminal prosecution;

c) Provide or confirm false accounting figures deliberately or by means of collusion or coercion but not serious enough for criminal prosecution.

5. Remedial measures:

Make and present financial statements mentioned in Clause 3 of this Article conform to accounting regulations and standards;

b) Destroy the financial statements mentioned in Clause 4 of this Article.

Article 12. Penalties for violations against regulations on submission and disclosure of financial statements

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed in the following cases:

a) The financial statement is submitted less than 3 months after the specified deadline;

b) The financial statement is disclosed less than 3 months after the specified deadline.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed in the following cases:

a) The financial statement's contents are not fully disclosed;

b) The financial statement submitted to the competent authorities does not include the audit statement when required by law;

c) The financial statement is submitted 3 months after the specified deadline or later;

d) The disclosed financial statement does not include the audit statement when required by law;

dd) The financial statement is disclosed 3 months after the specified deadline or later.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for in the following cases:

a) The financial statement's figures are falsified;

b) Provide or publish financial statements which have inconsistent figures within an accounting period for use in Vietnam.

4. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed for one of the following violations:

a) Failure to submit financial statement to the competent authorities;

b) Failure to disclose financial statements.

5. Remedial measure:

Submit and disclose the audit statement attached to the financial statement mentioned in Points b and d, Clause 2 of this Article.

Article 13. Penalties for violations against regulations on duplication of and sealing accounting documents

A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed in the following cases:

1. Failure to form a council and make a document identifying accounting documents that cannot be duplicated.

2. The accounting document's duplicates do not have sufficient signatures and seals (if any) of relevant entities.

3. Confiscate or seal accounting documents ultra vires.

4. Failure to provide accounting documents to the competent authorities for confiscation and sealing.

Article 14. Penalties for violations against regulations on accounting inspection

1. A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed for one of the following violations:

a) Failure to provide sufficient relevant documents to the inspectorate;

b) Failure to fully comply with the conclusion given by the inspectorate.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed in one of the following cases:

- a) Failure to implement the competent authorities' decision on accounting inspection;
- b) Failure to provide relevant documents to the inspectorate;
- c) Failure to translate accounting documents and records to Vietnamese upon the competent authorities' request;
- b) Failure to comply with the conclusion given by the inspectorates.

Article 15. Penalties for violations against regulations on retention of accounting documents

1. A warning shall be imposed for one of the following violations:

- a) Archiving accounting documents 12 months after the specified deadline or later;
- b) Failure to arrange the archived accounting documents by fiscal year in chronological order.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

- a) Failure to retain accounting documents in full;
- b) Damage or loss of accounting documents during the retention period;
- c) Using accounting documents against regulations during the retention period;
- d) Failure to inventory and sort accounting documents or to restore lost or damaged ones.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Destroying accounting documents before the end of the retention period specified in the Law on Accounting but not serious enough for criminal prosecution;
- b) Failure to establish a destruction council, to apply the destruction methods correctly and to make a destruction report while destroying accounting documents.

Article 16. Penalties for violations against regulations on stocktaking

1. A fine ranging from VND 1.000.000 to VND 2.000.000 shall be imposed for one of the following violations:

- a) Failure to make stocktaking reports or the stocktaking report not having sufficient signatures;
- b) Failure to report discrepancies between actual and book figures and their handling.

2. A fine ranging from VND 3.000.000 to VND 5.000.000 shall be imposed for failure to carry out stocktaking.

Article 17. Penalties for violations against regulations on organization of accounting apparatus, appointing or hiring accountants

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

- a) Hiring entities that fail to meet all standards and conditions for practicing accounting;
- b) Failure to reappoint chief accountants and accounting managers before the specified deadline;
- c) Failure to transfer accounting works when changes of accountants, chief accountants and accounting managers occur;
- d) Failure to announce change in chief accountants or accounting managers.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Failure to organize the accounting unit's accounting apparatus; failure to appoint accountants, chief accountants or purchase accounting services or chief accountant's services;
- b) Appointing accountants who are forbidden to work in accounting as specified in the law;
- c) Appointing accountants, chief accountants and accounting managers who do not meet all standards and conditions;
- d) Appointing chief accountant and accounting manager against established procedures;

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed in the following cases:

- a) Appoint the accounting unit's manager or operator as its accountant, warehouse-keeper, or treasurer, or assign that person to buy and sell products (except for private enterprises, any limited liability company owned by a single individual, enterprises belonging to other types with no state capital and are micro-enterprises in accordance with regulations of law on providing assistance for small and medium-sized enterprises);
- b) Appointing chief accountants who do not meet all standards and conditions;

c) Hiring chief accountants who do not meet all standards and conditions;

4. Remedial measure:

Appoint or hire accountants, chief accountants and accounting managers who meet all standards and conditions for the cases specified in Points a and b, Clause 1; Points b and c, Clause 2; Points b and c, Clause 3 of this Article.

Article 18. Penalties for violations against regulations on training chief accountants and issuance of training certificates for chief accountants

1. A warning shall be imposed for one of the following violations:

a) Running chief accountant training courses with the number of trainees per course against regulations;

b) Running chief accountant training courses which last more than 6 months.

2. A fine ranging from VND 1.000.000 to VND 2.000.000 shall be imposed for one of the following violations:

a) Running chief accountant training courses without registering to the Ministry of Finance or without the Ministry of Finance's approval;

b) Failure to notify the Ministry of Finance of the course's contents.

3. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

a) Unconformable course contents, curriculum, and study period;

b) Failure to retain files relevant to the course in full.

4. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the training facility that commits one of the following violations:

a) Opening a new chief accountant training course without satisfying the requirements;

b) a) Opening a new chief accountant training course for foreigners without the Ministry of Finance's approval.

c) Failure to comply with regulations of the Ministry of Finance on management of the Training certificate's template and issuance Training certificates for chief accountants.

5. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on the training facility that issuing training certificates for chief accountants to trainees who do not meet all the standards and conditions.

6. Remedial measure:

Return illegal profits earned by violations mentioned in Points a, b, Clause 4 and Clause 5 of this Article.

Section 2. VIOLATIONS AGAINST REGULATIONS ON ACCOUNTANT CERTIFICATE EXAMS AND PROVISION OF REFRESHER TRAINING FOR ACCOUNTING PRACTITIONERS AND ACCOUNTING PRACTICE REGISTRATION APPLICANTS

Article 19. Penalties for violations against regulations on documents for accountant certificate exam:

1. A warning shall be imposed for giving false information in the documents for accountant certificate exam.
2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for false confirmation of information in the application documents to gain eligibility for the accountant certificate exam.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for tampering with or forging qualifications, certificates or other application documents, or providing false information thereon, to gain eligibility for the accountant certificate exam.

4. Additional penalty:

Any of the violation mentioned in Clause 3 of this Article shall result in confiscation of evidence.

Article 20. Penalties for violations against regulations on provision of refresher training for accounting practitioners and accounting practice registration applicants

1. A warning shall be imposed on the organization approved by the Ministry of Finance to run refresher courses for accounting practitioners and accounting practice registration applicants committing one of the following violations:

- a) Failure to comply with regulations on number of trainees per class;
- b) Failure to issue certificates to the refresher course's trainees and confirmation papers to accountants and auditors teaching refresher courses at the end of each course;

c) Submitting post-course reports on the accountant refresher course less than 15 days after the specified deadline;

d) Notifying the Ministry of Finance of the plan and curriculum for the following year's refresher course, or changes in the plan and curriculum before the course less than 15 days after the specified deadline;

dd) Submitting the consolidated report on the annual accountant refresher course less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on organizations approved to run refresher courses for accounting practitioners and accounting practice registration applicants for one of the following violations:

a) Running refresher courses for accounting practitioners and accounting practice registration applicants not according to the plans which were registered or the Ministry of Finance was informed of;

b) Submitting post-course reports on the accountant refresher course to the Ministry of Finance 15 days after the specified deadline or later;

c) Submitting the consolidated report on the annual accountant refresher course 15 days after the specified deadline or later;

d) Failure to retain documents on refresher courses in full.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the organization approved to run refresher courses for accounting practitioners and accounting practice registration applicants committing one of the following violations:

a) Failure to submit post-course reports on the accountant refresher course;

b) Failure to submit the annual consolidated report on the accountant refresher courses;

c) Running refresher courses for accounting practitioners and accounting practice registration applicants for the purpose of recording time spent on refresher training without the Ministry of Finance's approval;

d) Issuing certificates of completion of the refresher course for accounting practitioners and accounting practice registration applicants to trainees who did not participate in the course's activities;

dd) reporting the incorrect number of trainees attending the refresher course for accounting practitioners and accounting practice registration applicants or the time spent on the course.

e) reporting the refresher course as if it was organized despite the contrary.

4. Additional penalty:

The organization that recommit any of the violations mentioned in Clause 3 of this Article will be suspended from running accountant refresher courses for 1-3 months from the day the decision on penalty imposition comes into effect.

5. Remedial measure:

Return illegal profits earned by the violation mentioned in Point c, Clause 3 of this Article.

Section 3. VIOLATIONS AGAINST REGULATIONS ON ACCOUNTING PRACTICE

Article 21. Penalties for violations against regulations on management and use of accountant certificates and auditor certificates

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on individuals for one of the following violations:

a) Tampering with the accountant certificate's contents;

b) Allowing an external entity to rent, borrow and use one's own accountant certificate and auditor certificate for the purpose of registration of accounting practice or registration of accounting practice at a unit other than that specified in the full-time labor contract.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for renting, borrowing and using an accountant certificate and a auditor certificate of a person who is not working as a full-time employee, or not working at all for one's own unit for the purpose of registration of accounting practice.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging accountant certificates.

4. Additional penalties:

a) Any of violations mentioned in Point a, Clause 1 of this Article shall result in confiscation of evidence;

b) The accounting practitioner committing the violation mentioned in Point b, Clause 1 of this Article shall have his/her certificate of accounting practice registration suspended for 3-6 months period from the day the decision on penalty imposition comes into effect.

5. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point b, Clause 1 of this Article.

Article 22. Penalties for violations against regulations on application documents for accounting practice

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for confirmation of inaccurate application documents to obtain the certificate of accounting practice registration.
2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for giving false information to obtain the certificate of accounting practice registration.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging the application documents, or providing false information thereon, to obtain the certificate of accounting practice registration.
4. Additional penalty:

Any of the violations mentioned in Clause 3 of this Article shall result in confiscation of evidence.

Article 23. Penalties for violations against regulations on management and use of certificates of accounting practice registration

1. A warning shall be imposed for returning certificates of accounting practice registration to the Ministry of Finance less than 15 days after the specified deadline.
2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:
 - a) Returning certificates of accounting practice registration to the Ministry of Finance 15 days after the specified deadline or later;
 - b) Using expired or invalidated certificates of accounting practice registration for accounting practicing.
3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:
 - a) Practicing accounting without a certificate of accounting practice registration;
 - b) Continuing the accounting practice after the certificate of accounting practice registration expires or is invalidated;
 - c) Failure to return certificates of accounting practice registration to the Ministry of Finance.
4. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 3 of this Article.

Section 4. VIOLATIONS AGAINST REGULATIONS ON PROVISION OF ACCOUNTING SERVICES

Article 24. Penalties for violations against regulations on application documents for certificate of eligibility to provide accounting services

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for confirmation of false information in the application documents to obtain the certificate of eligibility to provide accounting services.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for giving false information in the application documents to obtain the certificate of eligibility to provide accounting services.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging application documents to obtain the certificate of eligibility to provide accounting services.

4. Additional penalty:

Confiscation of evidence of violations specified in Clause 3 of this Article.

Article 25. Penalties for violations against regulations on management and use of certificates of eligibility to provide accounting services

1. A warning shall be imposed on organizations for one of the following violations:

a) Returning the certificate of eligibility to provide accounting services as specified by the Ministry of Finance less than 15 days after the specified deadline when the certificate is revoked or the provision of accounting services ends;

b) Applying for reissuance of the certificate of eligibility to provide accounting services less than 15 days after the specified deadline when required, as specified in Clause 1, Article 63 of the Law on Accounting.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on organizations for one of the following violations:

a) Returning the certificate of eligibility to provide accounting services as specified by the Ministry of Finance 15 days after the specified deadline or later when the certificate is revoked or the provision of accounting services ends;

b) Tampering with the certificate of eligibility to provide accounting services' contents;

c) Failure to apply or applying for reissuance of certificates of eligibility to provide accounting services 15 days after the specified deadline or later when required, as specified in Clause 1, Article 63 of the Law on Accounting.

d) Leasing out or lending certificates of eligibility to provide accounting services.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on organizations for failure to return the certificate of eligibility to provide accounting services to the Ministry of Finance when the certificate is revoked or the provision of accounting services ends.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging certificates of eligibility to provide accounting services.

5. Additional penalty:

The violation mentioned in Point b, Clause 2 of this Article shall result in confiscation of evidence.

6. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point d, Clause 2 of this Article.

Article 26. Penalties for violations against regulations on provision of accounting services

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for false presentation of accounting practitioners or accounting firms' qualifications, experience, capacity and eligibility for provision of accounting services.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for colluding with customers to provide and confirm false information while providing accounting services.

Article 27. Penalties for violations against regulations on retention of accounting service documents

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for failure to fully or safely retain accounting service documents during usage and retention periods.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for failure to retain accounting service documents.

Article 28. Penalties for violations against regulations on provision of accounting services

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the enterprise using the phrase "dịch vụ kế toán" (accounting service) in its name despite being ineligible for providing accounting services.

2. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on the enterprise committing one of the following violations:

- a) Providing accounting services without a certificate of eligibility to provide accounting services;
- b) Continuing to provide accounting services despite the provision of accounting services being put on hold, suspended or terminated, or the certificate of eligibility to provide accounting services being revoked.

3. Additional penalty:

The enterprise committing the violation mentioned in Point b, Clause 2 of this Article shall have its certificate of eligibility to provide accounting services suspended for 3-6 months period from the day the decision on penalty imposition comes into effect.

4. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 2 of this Article.

Section 5. VIOLATIONS AGAINST REGULATIONS ON PROVISION AND USE OF TRANSBOUNDARY ACCOUNTING SERVICES

Article 29. Penalties for violations against regulations on conditions for provision of transboundary accounting services

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign accounting firm that forge or tamper with documents to obtain the certificate of eligibility to provide transboundary accounting services in Vietnam.

2. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on the foreign accounting firm committing one of the following violations:

- a) Providing transboundary accounting services in Vietnam without a certificate of eligibility to provide transboundary accounting services in Vietnam;
- b) Continuing to provide transboundary accounting services despite the provision of accounting services being put on hold, suspended or terminated, or the certificate of eligibility to provide transboundary accounting services in Vietnam being revoked.

3. Additional penalty:

The foreign accounting firm committing the violation mentioned in Point b, Clause 2 of this Article shall have its certificate of eligibility to provide transboundary accounting services in Vietnam suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

4. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 2 of this Article.

Article 30. Penalties for violations against regulations on methods for provision of transboundary accounting services

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign accounting firm committing one of the following violations:

- a) Making payment of service charges against regulations of law on foreign currency management of Vietnam;
- b) Failure to make accounting service contracts in compliance with Vietnamese law while providing transboundary accounting services in Vietnam.
- c) Failure to make joint venture contracts while providing transboundary accounting services in Vietnam.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on the organization in the following cases:

- a) The Vietnamese accounting firm forms joint venture with a foreign firm that is not eligible for provision of transboundary accounting services while providing transboundary accounting services in Vietnam;
- b) The foreign accounting firm forms joint venture with a Vietnamese firm that is not eligible for provision of accounting services while providing transboundary accounting services in Vietnam.

3. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on the foreign accounting firm that fails to form joint venture with a Vietnamese firm that is eligible for provision of accounting services while providing transboundary accounting services in Vietnam.

4. Additional penalty:

The foreign accounting firm committing the violation mentioned in Clause 3 of this Article shall have its certificate of eligibility to provide transboundary accounting services in Vietnam suspended for 6-12 months from the day the decision on penalty imposition comes into effect.

Article 31. Penalties on violations against foreign accounting firm's obligations in provision of transboundary accounting services in Vietnam

1. A warning shall be imposed on the foreign accounting firm committing one of the following violations:

- a) Notifying the Ministry of Finance of one of the conditions required for provision of transboundary accounting services in Vietnam not being met less than 15 days after the specified deadline;

b) Submitting annual financial statements, the local accounting service authority's reports on compliance with regulations of law on provision of accounting services and other regulations of law to the Ministry of Finance less than 15 days after the specified deadline;

c) Submitting reports on execution of contracts for provision of transboundary accounting services in Vietnam to the Ministry of Finance less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the foreign accounting firm in the following cases:

a) Notifying the Ministry of Finance of one of the conditions required for provision of transboundary accounting services in Vietnam not being met 15 days after the specified deadline or later;

b) Submitting annual financial statements, the local accounting service authority's reports on compliance with regulations of law on provision of accounting services and other regulations of law to the Ministry of Finance 15 days after the specified deadline or later;

c) The report on execution of contracts for provision of transboundary accounting services in Vietnam does not have sufficient contents or submitted to the Ministry of Finance 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign accounting firm committing one of the following violations:

a) Failure to notify the Ministry of Finance that one of the conditions required for provision of transboundary accounting services in Vietnam is not met;

b) Failure to submit annual financial statements, the local accounting service authority's reports on compliance with regulations of law on provision of accounting services and other regulations of law to the Ministry of Finance;

c) Failure to report or reporting falsely on execution of contracts for provision of transboundary accounting services in Vietnam.

4. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on the foreign accounting firm committing one of the following violations:

a) Committing prohibited acts or providing accounting services in prohibited cases;

b) Failure to comply with Vietnamese accounting standards and code of ethics while providing transboundary accounting services in Vietnam;

c) Failure to explain the contents relevant to provision of transboundary accounting services in Vietnam to the Vietnamese authorities.

5. Additional penalty:

The foreign accounting firm committing any of the violations mentioned in Clause 4 of this Article shall have its certificate of eligibility to provide transboundary accounting services in Vietnam suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

Article 32. Penalties on violations against obligations of accounting firms forming joint venture with foreign accounting firms for provision of transboundary accounting services in Vietnam

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the Vietnamese accounting firm committing one of the following violations:

- a) Failure to retain the documents of joint venture contracts with foreign accounting firms in full while providing transboundary accounting services in Vietnam;
- b) Failure to provide the documents of joint venture contracts with foreign accounting firms for the competent authority in full or on time upon request while providing transboundary accounting services in Vietnam;
- c) Failure to explain the documents of joint venture contracts with foreign accounting firms for provision of transboundary accounting services in Vietnam to the competent authority in full detail or on time.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the Vietnamese accounting firm committing one of the following violations:

- a) Failure to retain the documents of joint venture contracts with foreign accounting firms for provision of transboundary accounting services in Vietnam;
- b) Failure to provide the documents of joint venture contracts with foreign accounting firms for provision of transboundary accounting services in Vietnam for the competent authority upon request;
- c) Failure to explain the documents of joint venture contracts with foreign accounting firms for provision of transboundary accounting services in Vietnam to the competent authority.
- d) Failure to notify the Ministry of Finance of the execution of joint venture contracts with foreign accounting firms for provision of transboundary accounting services.

3. Additional penalty:

The Vietnamese accounting firm committing any of the violations mentioned in Clause 2 of this Article shall have its certificate of eligibility to provide accounting services suspended for 1-3 months from the day the decision on penalty imposition comes into effect.

Section 6. VIOLATIONS AGAINST REGULATIONS ON NOTIFICATIONS AND REPORTS

Article 33. Penalties for violations against regulations on notification and reporting committed by households and enterprises providing accounting services

1. A warning shall be imposed for one of the following violations:

- a) Notifying the Ministry of Finance of changes in the contents specified in Article 66 of the Law on Accounting less than 15 days after the specified deadline;
- b) Submitting annual consolidated reports on the accounting practitioners' state of upholding requirements for practicing accounting in the unit to the Ministry of Finance less than 15 days after the specified deadline;
- c) Notifying the Ministry of Finance in writing less than 15 days after the specified deadline when the certificates of accounting practice registration of the unit's accounting practitioners expire or are invalidated;
- d) Submitting annual reports on the state of upholding requirements for provision of accounting services to the Ministry of Finance less than 15 days after the specified deadline;
- dd) Submitting annual reports on the state of operation to the Ministry of Finance less than 15 days after the specified deadline;
- e) Notifying the Ministry of Finance in writing less than 15 days after the specified deadline when the provision of accounting services resumes after being put on hold;
- g) Notifying the termination of provision of accounting services to the Ministry of Finance less than 15 days after the specified deadline;
- h) Submitting scheduled and unscheduled reports to the Ministry of Finance upon request less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:

- a) Notifying the Ministry of Finance of changes in the contents specified in Article 66 of the Law on Accounting 15 days after the specified deadline or later;
- b) Submitting annual consolidated reports on the accounting practitioners' state of upholding requirements for practicing accounting in the unit to the Ministry of Finance 15 days after the specified deadline or later;

c) Notifying the Ministry of Finance in writing 15 days after the specified deadline or later when the certificates of accounting practice registration of the unit's accounting practitioners expire or are invalidated;

d) Submitting annual reports on the state of upholding requirements for provision of accounting services to the Ministry of Finance 15 days after the specified deadline or later;

dd) Submitting annual reports on the state of operation to the Ministry of Finance 15 days after the specified deadline or later;

e) Notifying the Ministry of Finance in writing 15 days after the specified deadline or later when the provision of accounting services resumes after being put on hold;

g) Notifying the termination of provision of accounting services to the Ministry of Finance 15 days after the specified deadline or later;

h) Submitting scheduled and unscheduled reports to the Ministry of Finance upon request 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

a) Failure to notify the Ministry of Finance of changes in the contents specified in Article 66 of the Law on Accounting;

b) Failure to submit annual consolidated reports on the accounting practitioners' state of upholding requirements for practicing accounting in the unit to the Ministry of Finance;

c) Failure to notify the Ministry of Finance in writing when the certificates of accounting practice registration of the unit's accounting practitioners expire or are invalidated;

d) Failure to submit annual reports on the state of upholding requirements for provision of accounting services to the Ministry of Finance;

dd) Failure to submit annual reports on the state of operation to the Ministry of Finance;

e) Failure to notify the Ministry of Finance in writing when the provision of accounting services resumes after being put on hold;

g) Failure to notify the termination of provision of accounting services to the Ministry of Finance;

h) Failure to submit scheduled and unscheduled reports to the Ministry of Finance upon request.

Article 34. Penalties for violations against regulations on notification and reporting obligations of accounting practitioners

1. A warning shall be imposed on accounting practitioners for notifying or reporting to the Ministry of Finance less than 15 days after the specified deadline when:

- a) No longer working for the accounting firm specified in the certificates of accounting practice registration;
- b) The full-time labor contract with the accounting firm expires or is terminated or has changes that make the contract no longer full-time;
- c) The foreign accounting practitioner's Vietnamese work permit expires or is invalidated;
- d) Taking on positions of chief accountant, accountant manager, accountant, internal auditor or others within the unit, or at units and organizations other than the registered accounting unit;
- dd) The accounting unit where the accounting practitioner is working at undergoes full or partial division, consolidation, acquisition, termination of operations, dissolution, or bankruptcy;
- e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the accounting practitioner's work.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on accounting practitioners for notifying or reporting to the Ministry of Finance 15 days after the specified deadline or later when:

- a) No longer working for the accounting firm specified in the certificates of accounting practice registration;
- b) The full-time labor contract with the accounting firm expires or is terminated or has changes that make the contract no longer full-time;
- c) The foreign accounting practitioner's Vietnamese work permit expires or is invalidated;
- d) Taking on positions of chief accountant, accountant manager, accountant, internal auditor or others within the unit, or at units and organizations other than the registered accounting unit;
- dd) The accounting unit where the accounting practitioner is working at undergoes full or partial division, consolidation, acquisition, termination of operations, dissolution, or bankruptcy;
- e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the accounting practitioner's work.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on accounting practitioners for failure to notify or report to the Ministry of Finance when:

- a) No longer working for the accounting firm specified in the certificates of accounting practice registration;

- b) The full-time labor contract with the accounting firm expires or is terminated or has changes that make the contract no longer full-time;
- c) The foreign accounting practitioner's Vietnamese work permit expires or is invalidated;
- d) Taking on positions of chief accountant, accountant manager, accountant, internal auditor or others within the unit, or at units and organizations other than the registered accounting unit;
- dd) The accounting unit where the accounting practitioner is working at undergoes full or partial division, consolidation, acquisition, termination of operations, dissolution, or bankruptcy;
- e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the accounting practitioner's work.

Section 7. VIOLATIONS AGAINST REGULATIONS ON ACCOUNTING SERVICE INSPECTION

Section 35. Penalties for violations against regulations on accounting service inspection

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Late or insufficient provision of information and documents upon request of the competent authority during the accounting service inspection process;
- a) Providing false information and documents upon the competent authority's request during the accounting service inspection process;

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for one of the following violations:

- a) Failure to provide information and documents upon the competent authority's request during the accounting service inspection process;
- b) Failure to explain to and cooperate with the competent authority during the accounting service inspection process.

3. Additional penalty:

The Vietnamese accounting firm committing any of the violations mentioned in Clause 2 of this Article shall have its certificate of eligibility to provide accounting services suspended for 1-3 months from the day the decision on penalty imposition comes into effect.

Chapter III

PENALTIES AND FINES FOR INDEPENDENT AUDIT-RELATED VIOLATIONS

Section 1. VIOLATIONS AGAINST REGULATIONS ON AUDITOR CERTIFICATE EXAMS AND PROVISION OF REFRESHER TRAINING FOR AUDITORS

Article 36. Penalties for violations against regulations on documents for auditor certificate exam:

1. A warning shall be imposed for giving false information in the documents for auditor certificate exam.
2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for false confirmation of information in the application documents to obtain the auditor certificate exam.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for tampering with or forging qualifications, certificates or other application documents, or providing false information thereon, to obtain the auditor certificate exam.
4. Additional penalty:

Any of the violations specified in Clause 3 of this Article shall result in confiscation of evidence.

Section 37. Penalties for violations against regulations on provision of refresher training for auditors

1. A warning shall be imposed on the organization approved by the Ministry of Finance to run refresher courses for audit practitioners and audit practice registration applicants committing one of the following violations:
 - a) Submitting post-course reports on the auditor refresher course to the Ministry of Finance less than 15 days after the specified deadline;
 - b) Failure to monitor and take attendance of the refresher course's trainees;
 - c) Failure to conduct a survey on trainees' opinions of the refresher course using evaluation slips;
 - d) Failure to issue certificates to the refresher course's trainees and confirmation papers to auditors teaching refresher courses at the end of each course;
 - dd) Failure to comply with regulations on number of trainees per class;
 - e) Notifying the Ministry of Finance of the course's contents, curriculum, time and place, lecturers' details, the number of audit practitioners registering for the course before the course takes place or the changes in those details less than 15 days after the specified deadline;
 - g) Submitting the annual consolidated report on the auditor refresher course to the Ministry of Finance less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the organization approved by the Ministry of Finance to run refresher courses for audit practitioners and audit practice registration applicants in the following cases:

a) The refresher course does not follow the contents and curriculum registered with the Ministry of Finance;

b) Submitting post-course reports on the auditor refresher course to the Ministry of Finance 15 days after the specified deadline or later;

c) Notifying the Ministry of Finance of the course's contents, curriculum, time and place, lecturers' details, the number of audit practitioners registering for the course before the course takes place or the changes in those details 15 days after the specified deadline or later;

d) Submitting the consolidated report on the auditor refresher course 15 days after the specified deadline or later;

dd) Providing false information, forging documents to gain approval to organize auditor refresher courses;

e) Failure to retain documents on auditor refresher courses in full.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on organizations approved by the Ministry of Finance to run refresher courses for audit practitioners and audit practice registration applicants for one of the following violations:

a) Failure to submit post-course reports on the auditor refresher course to the Ministry of Finance;

b) Failure to notify the Ministry of Finance of the course's contents, curriculum, time and place, lecturers' details, the number of audit practitioners registering for the course before the course takes place or the changes in those details;

c) Failure to submit the consolidated report on the annual auditor refresher course;

d) Running refresher courses for audit practitioners and audit practice registration applicants for the purpose of recording time spent on refresher training without the Ministry of Finance's approval;

dd) Reporting incorrectly the number of trainees attending the refresher course for audit practitioners or the time spent on the course;

e) Reporting the refresher course as if it was run despite the contrary;

g) Issuing certificates for attending the refresher course to trainees who did not participate in the course.

4. Additional penalty:

The organization that recommit any of the violations mentioned in Points d, e, f, g, Clause 3 of this Article shall be suspended from running auditor refresher course organizing works for 1-3 months from the day the decision on penalty imposition comes into effect (if the organization has the Ministry of Finance's approval to organize auditor refresher courses at the time the violation is discovered).

5. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point d, Clause 3 of this Article.

Section 2. VIOLATIONS AGAINST REGULATIONS ON AUDIT PRACTICE REGISTRATION

Article 38. Penalties for violations against regulations on management and use of auditor certificates

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the individual who commit one of the following violations:

- a) Tampering with the auditor certificate's contents;
- b) Allowing an external entity to rent, borrow and use one's own auditor certificate for the purpose of registration of audit practice or registration of audit practice at a unit other than that specified in the full-time labor contract.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the enterprise that rent, borrow or using a auditor certificate of a person who is not working as a full-time employee, or not working at all for one's own unit for the purpose of registration of audit practice.

3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging auditor certificates.

4. Additional penalties:

- a) Any of the violations mentioned in Point a, Clause 1 and Clause 3 of this Article shall result in confiscation of evidence;
- b) The audit practitioner committing the violation mentioned in Point b, Clause 1 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

5. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point b, Clause 1 of this Article.

Article 39. Penalties for violations against regulations on application documents for audit practice

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for false confirmation of information and application documents to obtain the certificate of audit practice registration.
2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for giving false information in the application documents to obtain the certificate of audit practice registration.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging the application documents, or providing false information thereon, to obtain the certificate of audit practice registration.
4. Additional penalty:

Any of the violations mentioned in Clause 3 of this Article shall result in confiscation of evidence.

Article 40. Penalties for violations against regulations on management and use of certificates of audit practice registration

1. A warning shall be imposed for returning certificates of audit practice registration to the Ministry of Finance less than 15 days after the specified deadline.
2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for one of the following violations:
 - a) Returning certificates of audit practice registration to the Ministry of Finance 15 days after the specified deadline or later;
 - b) Using expired or invalid certificates of audit practice registration for accounting and independent audit practicing.
3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for failure to return certificates of audit practice registration to the Ministry of Finance.
4. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point b, Clause 2 of this Article.

Section 3. VIOLATIONS AGAINST REGULATIONS ON PROVISION OF AUDIT SERVICES AND ITS REQUIREMENTS

Article 41. Penalties for violations against regulations on application documents for certificate of eligibility to provide audit services

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for confirmation of false information in the application documents to obtain the certificate of eligibility to provide audit services.
2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for giving false information in the application documents to obtain the certificate of eligibility to provide audit services.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging application documents to obtain the certificate of eligibility to provide audit services.
4. Additional penalty:

The violation mentioned in Clause 3 of this Article shall result in confiscation of evidence..

Article 42. Penalties for violations against regulations on management and use of certificates of eligibility to provide audit services

1. A warning shall be imposed on the enterprise committing one of the following violations:
 - a) Returning the certificate of eligibility to provide audit services to the Ministry of Finance less than 15 days after the specified deadline when the certificate is revoked;
 - b) Applying for reissuance of the certificate of eligibility to provide audit services less than 15 days after the specified deadline.
2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the enterprise committing one of the following violations:
 - a) Returning the certificate of eligibility to provide audit services to the Ministry of Finance 15 days after the specified deadline or later when the certificate is revoked;
 - b) Failure to apply for modification of the certificate of eligibility to provide audit services when there are changes to the certificate that have to be done;
 - b) Failure to apply or applying for reissuance of the certificate of eligibility to provide audit services 15 days after the specified deadline or later;
 - d) Tampering with the certificate of eligibility to provide audit services' contents;
 - dd) Leasing out or lending certificates of eligibility to provide audit services.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the enterprise that fails to return the certificate of eligibility to provide audit services to the Ministry of Finance when the certificate is revoked.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging certificates of eligibility to provide audit services.

5. Additional penalty:

Any of the violations mentioned in Point d, Clause 2 and Clause 4 of this Article shall result in confiscation of evidence.

6. Remedial Measure:

Return illegal profits earned by the violation mentioned in Point e, Clause 2 of this Article.

Section 43. Penalties for violations against regulations on provision of audit services by auditing firms

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the enterprise using the word "kiểm toán" (audit) in its name despite being ineligible for providing audit services.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the enterprise that fails to exclude itself from audit business despite being refused certificates of eligibility to provide audit services.

3. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on the enterprise committing one of the following violations:

- a) Providing audit services without a certificate of eligibility to provide audit services;
- b) Continuing provision of services specified in Clause 1, Article 40 of the Law on Independent Audit after such provision being put on hold or suspended;
- c) Continuing provision of services specified in Clause 1, Article 40 of the Law on Independent Audit after such provision being terminated or the certificate of eligibility to provide audit services being revoked.

4. Additional penalty:

The enterprise committing any of the violations mentioned in Clause 3 of this Article shall have its certificate of eligibility to provide audit services suspended for 3-6 months from the day the decision on penalty imposition comes into effect (if the enterprise is an auditing firm when the violation is discovered).

5. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 3 of this Article.

Section 4. VIOLATIONS AGAINST REGULATIONS ON AUDITING WORKS

Article 44. Penalties for violations against regulations on purchase of professional liability insurance for audit practitioners or setting up professional risk reserve fund

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm purchasing professional liability insurance for audit practitioners or setting up professional risk reserve funds against the Ministry of Finance's regulations.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm that fails to purchase professional liability insurance for audit practitioners or set up professional risk reserve funds.

Article 45. Penalties for violations against regulations on audit approvals

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) Carrying out auditing works without independence, sufficient professional skills and meeting requirements in accordance with regulations of law;
- b) Carrying out auditing works when the client and audited unit have requirements that violate the code of ethics, professional requirements or regulations of law.

2. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 1 of this Article.

Article 46. Penalties for violations against regulations on audit contracts

1. A warning shall be imposed on the auditing firm making audit contracts which do not have sufficient contents with its clients or audited units.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm making audit contracts with their clients or audited unit after auditing.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm that fails to make audit contracts with their clients or audited unit when auditing.

Article 47. Penalties for violations against regulations on confidentiality

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for revealing information relevant to audit documents, clients and audited units, except when it is permitted by the client and audited unit, or regulated by law.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 on auditing firms for failure to create and operate an internal control system for ensuring the confidentiality obligations are fulfilled.

3. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed for using information relevant to audit documents, clients and audited units to infringe the interests of the State, public interests, rights and lawful interests of agencies, organizations and individuals.

4. Additional penalties:

a) The audit practitioner committing the violation mentioned in Clause 3 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect;

The auditing firm committing the violation mentioned in Clause 3 of this Article shall have its certificate of eligibility to provide audit services suspended for 6-12 months from the day the decision on penalty imposition comes into effect.

5. Remedial Measure:

Return illegal profits earned by violations mentioned in Clauses 1 and 3 of this Article.

Article 48. Penalties for violations against regulations on audit statements

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditor that commit one of the following violations:

a) Signing audit statements ultra vires;

b) Signing audit statements before the financial statements' audit dates.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditor that commit one of the following violations:

a) Signing audit statements despite the fact that he/she is not an audit practitioner;

b) Signing audit statements for more than three consecutive years for an audited unit.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm in the following cases :

a) Appointing an audit practitioner to sign audit statements ultra vires;

- b) Publishing an audit statement which is signed before the financial statements is;
- c) The audit statement does not have sufficient audit practitioners' signatures;
- d) Failure to explain sufficiently and punctually the qualified opinions in audit statements upon request of the competent authority or representatives of audited units' owners.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for failure to explain the qualified opinions in audit statements upon request of the competent authority or representatives of audited units' owners.

5. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed the auditing firm committing one of the following violations:

- a) Appointing a person who is not an audit practitioner to sign audit statements;
- b) Appointing an audit practitioner to sign audit statements for more than three consecutive years for an audited unit.

6. Additional penalties:

- a) The audit practitioner committing the violation mentioned in Point a, Clause 2 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect (if the person is an audit practitioner at the time the violation is discovered);
- b) The auditing firm recommitting the violation mentioned in Point a, Clause 5 of this Article shall have its certificate of eligibility to provide audit services suspended for 6-12 months from the day the decision on penalty imposition comes into effect.

Article 49. Penalties for violations against regulations on independence

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for one of the following violations:

- a) False information on and presentation of audit practitioners, auditing firms or Vietnamese branches of foreign auditing firms' qualifications, experience and ability to provide audit services;
- b) Purchasing, receiving, giving, holding audited units' shares or capital, regardless of amount;
- c) Trading bonds or other assets belonging to audited units that affect independence as specified in the accounting and audit code of ethics;
- d) Receiving or demanding any kind of payment or benefit from audited units other than service fees and negotiated costs specified in the contract;

dd) Extorting, swindling the clients and audited units;

e) Interfering in the business activities of clients and audited units during the audit process;

g) Collecting debts for audited units.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for one of the following violations:

a) Colluding with audited units to tamper with accounting documents, financial statements, audit documents and alter audit results;

b) Forging or falsifying audit documents;

c) Carrying out auditing works in prohibited cases as specified in regulations of law;

d) Practicing audit as an individual;

dd) Working for two or more auditing firms or Vietnamese branches of foreign auditing firms at the same time;

e) Contributing capital to two or more auditing firms.

3. Additional penalty:

The audit practitioner committing any of the violations specified in Points d, e, f, Clause 2 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

4. Remedial Measure:

Return illegal profits earned by violations mentioned in Points a, b, c, Clause 2 of this Article.

Article 50. Penalties for violations against regulations on audit documents

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for failure to document an audit.

2. Additional penalties:

a) The audit practitioner committing the violation mentioned in Clause 1 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect;

The auditing firm committing the violation mentioned in Clause 1 of this Article shall have its certificate of eligibility to provide audit services suspended for 6-12 months from the day the decision on penalty imposition comes into effect.

Article 51. Penalties for violations against regulations on retention of audit documents

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm for one of the following violations:

- a) Failure to fully or safely retain audit documents, causing loss or damage to the audit documents during usage and retention periods;
- b) Archiving audit documents later than 12 months after the audit statement's publishing date;
- c) Failure to design and implement policies and procedures for upholding confidentiality, safety, comprehensiveness, accessibility and restorability of audit documents as specified in audit standards;
- d) Failure to design and implement policies and procedures for audit document retention for at least 10 years from the audit statement's publishing date as specified in audit standards.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm for failure to retain physical or electronic audit documents.

Article 52. Penalties for violations against regulations on destruction of audit documents

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm for one of the following violations:

- a) Deciding to destroy audit documents ultra vires;
- b) Failure to establish a Destruction council, to apply the destruction method and procedure correctly, to make a list of audit documents to be destroyed and a report on destruction of audit documents when destroying these documents at the end of the retention period.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on the auditing firm for destroying audit documents before the end of the retention period.

Section 5. VIOLATIONS AGAINST REGULATIONS ON AUDITED UNITS

Article 53. Penalties for violations against regulations on selection of auditing firms and audit practitioners

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on units hiring auditing firms if the auditing firm does not carry out auditing works in accordance with regulations of law.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on units hiring auditing firms that does not meet all requirements for provision of audit services as specified in regulations of law.

3. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on audited units for failure to undergo compulsory audit for financial statements, settlement reports of project completion, consolidated and general financial statements, and other auditing works as specified in regulations of the Law on Independent Audit and other relevant laws.

Article 54. Penalties for violations against regulations on contracts for audit of annual financial statements

1. A warning shall be imposed on enterprises and organizations which are required to have their annual financial statements audited entering into contracts for such audit without sufficient contents.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on enterprises and organizations which are required to have their annual financial statements audited entering into contracts for such audit later than the specified deadline.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on enterprises and organizations which are required to have their annual financial statements audited entering into contracts for such audit after the audit is done.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on enterprises and organizations which are required to have their annual financial statements audited failing to enter into contracts for such audit when auditing.

Article 55. Penalties for violations against regulations on audits

1. A fine shall be imposed on audited units for failure to explain or failure to explain sufficiently and punctually the qualified opinions in audit statements upon request of the competent authority.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for one of the following violations:

a) Refusing to provide necessary information and documents for auditing upon request of audit practitioners or auditing firms;

b) Bribing and colluding with audit participants and auditing firms to tamper with accounting documents, financial statements, audit documents and audit statements;

c) Threatening, taking revenge on, coercing audit participants in order to alter audit results;

d) Concealing illegal acts in finance and accounting;

dd) Obstructing auditing works and restricting the audit's scope.

3. Remedial Measure:

Rectify false or misleading information in case of violations mentioned in Points b and c, Clause 2 of this Article.

Section 6. VIOLATIONS AGAINST REGULATIONS ON AUDIT OF UNITS WITH PUBLIC INTEREST'S FINANCIAL STATEMENTS

Article 56. Penalties for violations against regulations on announcement and notification obligations of approved auditing firms

1. A warning shall be imposed on the approved auditing firm that notify the authority with competence to authorize of changes in name, head office, field of practice, list of audit practitioners and changes that make the firm no longer eligible for approval less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the approved auditing firm that notify the authority with competence to authorize of changes in name, head office, field of practice, list of audit practitioners and changes that make the firm no longer eligible for approval 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the approved auditing firm that fails to notify the authority with competence to authorize of changes in name, head office, field of practice, list of audit practitioners and changes that make the firm no longer eligible for approval.

Article 57. Penalties for violations against regulations on audit and review services to units with public interest

1. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on the audit practitioner carrying out auditing works, signing audit statements or review reports for units with public interest without the Ministry of Finance's approval or having such approval suspended or terminated.

2. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed in the following cases:

a) The auditing firm carries out auditing works for units with public interest despite being prohibited to do so;

b) The unit with public interest selects an auditing firm for audit and review services despite the auditing firm not having the Ministry of Finance's approval;

c) The unit with public interest selects, or continues to carry out contracts which are signed with, an auditing firm for audit and review services despite the auditing firm's approval to audit suspended or terminated.

3. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on the auditing firm providing audit or review services for units with public interest without the Ministry of Finance's approval or having such approval suspended or terminated.

4. Additional penalties:

a) The audit practitioner committing the violation mentioned in Clause 1 of this Article shall have his/her certificate of audit practice registration suspended for 3-6 months from the day the decision on penalty imposition comes into effect;

b) The auditing firm recommitting the violation mentioned in Clause 3 of this Article shall have its certificate of eligibility to provide audit services suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

5. Remedial Measure:

Return illegal profits earned by violations mentioned in Clause 1, Point a Clause 2 and Clause 3 of this Article.

Article 58. Penalties for violations against regulations on disclosure of transparency reports

1. A warning shall be imposed on the auditing firm committing one of the following violations:

a) Lack of the legal representative or the approved person's signature on the transparency report.

b) Publishing or updating the transparency report's information less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm publishing or updating the transparency report's information on the firm's website 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm committing one of the following violations:

a) Failure to publish websites;

b) Failure to publish or update the transparency report's information on the firm's website;

c) Publishing false information in the transparency report.

4. Remedial Measure:

Rectify false or misleading information in case of the violation mentioned in Point c, Clause 3 of this Article.

Article 59. Penalties for violations against regulations on application documents for audit of units with public interest

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for confirmation of inaccurate or forged application documents to gain approval for audit units with public interest.
2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for giving false information in application documents to gain approval for audit units with public interest.
3. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed for forging application documents to gain approval for audit units with public interest.
4. Remedial Measure:

Return illegal profits earned by the violation mentioned in Clause 1 of this Article.

Article 60. Penalties for violations against regulations on responsibilities of units with public interest

A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the unit with public interest committing one of the following violations:

1. Failure to create and operate an internal control system.
2. Failure to carry out internal audit as specified in regulations of law.
3. Selecting an approved auditing firm to comment on a financial statement which has already been audited by another approved auditing firm, except when it is allowed as specified in regulations of law.
4. Failure to notify the authority with competence to authorize auditing firms of the reason for changing to an auditing firm different from the previous year's and the reason for changing the auditing firm carrying out auditing works (if any).
5. Failure to notify the discovery of audit practitioners and approved auditing firms' violations against the Law on Independent Audit to the authority with competence to authorize auditing firms .
6. Providing false information relevant to audited financial statements upon request of the competent authority.
7. Failure to explain and provide information relevant to audited financial statements upon request of the competent authority.

Article 61. Penalties for violations against regulations on independence

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed for taking up positions of management, administration, inspection committee member or chief accountant of a unit with public interest less than 12 months after completing the last audit for that unit.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed for carrying out auditing works for a unit with public interest for more than 4 consecutive fiscal years.

3. A fine ranging from VND 20.000.000 to VND 40.000.000 shall be imposed in the following cases:

a) The unit with public interest authorizes audit practitioners to audit financial statements for more than 4 consecutive fiscal years;

b) The auditing firm appoints audit practitioners to audit financial statements for a unit with public interest for more than 4 consecutive fiscal years.

4. Additional penalties:

a) The audit practitioner committing the violation mentioned in Clause 2 of this Article shall have his/her certificate of audit practice registration for 3-6 months suspended from the day the decision on penalty imposition comes into effect;

b) The auditing firm recommitting the violation mentioned in Point b, Clause 3 of this Article shall have its certificate of eligibility to provide audit services suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

Section 7. VIOLATIONS AGAINST REGULATIONS ON PROVISION AND USE OF TRANSBOUNDARY AUDIT SERVICES

Article 62. Penalties for violations against regulations on conditions for provision of transboundary audit services

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign auditing firms tampering with documents to obtain the certificate of eligibility to provide transboundary auditing services in Vietnam.

2. A fine ranging from VND 40.000.000 to VND 50.000.000 shall be imposed on the foreign auditing firm committing one of the following violations:

a) Forging application documents for provision of transboundary audit services registration;

b) Providing transboundary audit services in Vietnam without a certificate of eligibility to provide transboundary audit services in Vietnam;

c) Continuing to provide transboundary audit services despite the provision of audit services being put on hold, suspended or terminated, or the certificate of eligibility to provide transboundary audit services in Vietnam being revoked.

3. Additional penalty:

The foreign auditing firm committing any of the violations mentioned in Points b, c, Clause 2 of this Article shall have its certificate of eligibility to provide transboundary audit services in Vietnam suspended (if already issued) for 3-6 months from the day the decision on penalty imposition comes into effect.

4. Remedial Measure:

Return illegal profits earned by the violations specified in Points b, c, Clause 2 of this Article.

Article 63. Penalties for violations against regulations on methods for provision of transboundary audit services

1. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign auditing firm committing one of the following violations:

- a) Making payment of service charges against regulations of law on foreign currency management of Vietnam;
- b) Failure to make audit contracts in compliance with Vietnamese law while providing transboundary audit services;
- c) Failure to make joint venture contracts while providing transboundary audit services in Vietnam.

2. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed the organization in the following cases:

- a) The Vietnamese auditing firm forms joint venture with a foreign firm that is not eligible for provision of transboundary audit services while providing transboundary audit services in Vietnam;
- b) The foreign auditing firm forms joint venture with a Vietnamese firm that is not eligible for provision of transboundary audit services while providing transboundary audit services in Vietnam.

3. A fine ranging from VND 30.000.000 to VND 40.000.000 shall be imposed on the foreign auditing firm that fails to form joint venture with a Vietnamese firm that is eligible for provision of audit services while providing transboundary audit services in Vietnam.

4. Additional penalty:

The foreign auditing firm committing the violation mentioned in Clause 3 of this Article shall have its certificate of eligibility to provide transboundary audit services in Vietnam suspended for 6-12 months from the day the decision on penalty imposition comes into effect.

Article 64. Penalties for violations against obligations of firms providing transboundary audit services

1. A warning shall be imposed on the foreign auditing firm committing one of the following violations:

- a) Informing the Ministry of Finance that one of the conditions required for provision of transboundary audit services is not met less than 15 days after the specified deadline;
- b) Submitting audited annual financial statements with independent auditing firms' audit statements attached, the local audit service authority's reports on compliance with regulations of law on provision of audit services and other regulations of law to the Ministry of Finance less than 15 days after the specified deadline;
- c) Submitting reports on execution of contracts for provision of transboundary audit services in Vietnam to the Ministry of Finance less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the foreign auditing firm in the following cases:

- a) Informing the Ministry of Finance that one of the conditions required for provision of transboundary audit services is not met 15 days after the specified deadline or later;
- b) Submitting audited annual financial statements with independent auditing firms' audit statements attached, the local audit service authority's reports on compliance with regulations of law on provision of audit services and other regulations of law to the Ministry of Finance less 15 days after the specified deadline or later;
- c) The report on execution of contracts for provision of transboundary audit services in Vietnam does not have sufficient contents or is submitted to the Ministry of Finance 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the foreign auditing firm committing of the following violations:

- a) Failure to inform the Ministry of Finance that one of the conditions required for provision of transboundary audit services in Vietnam is not met;
- b) Failure to submit audited annual financial statements with independent auditing firms' audit statements attached, the local audit service authority's reports on compliance with regulations of law on provision of audit services and other regulations of law to the Ministry of Finance;

c) Failure to report or reporting falsely on execution of contracts for provision of transboundary audit services in Vietnam.

4. A fine ranging from VND 30.000.000 to VND 50.000.000 shall be imposed on the foreign auditing firm committing one of the following violations:

a) Committing prohibited acts or providing audit services in prohibited cases as specified in regulations of the Vietnamese Law on Independent Audit;

b) Failure to comply with Vietnamese audit standards and accounting and audit code of ethics while providing transboundary audit services in Vietnam;

c) Failure to explain the contents relevant to provision of transboundary audit services in Vietnam to the Vietnamese authorities.

5. Additional penalty:

The foreign auditing firms committing the violation mentioned in Point a, Clause 4 of this Article shall have its certificate of eligibility to provide transboundary audit services in Vietnam suspended for 3-6 months from the day the decision on penalty imposition comes into effect.

Article 65. Penalties for violations against regulations on forming joint venture with foreign auditing firms for provision of transboundary audit services in Vietnam

1. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the Vietnamese auditing firm forming joint venture with foreign auditing firms in the following cases:

a) Failure to retain the documents of the joint venture audits carried out with foreign auditing firms in full;

b) Failure to provide sufficiently and punctually the documents of completed joint venture audits to the authorities upon request;

c) Failure to explain sufficiently and punctually about audit statements, audit documents and other problems arising from joint venture audits with foreign auditing firms to the authorities.

2. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the Vietnamese auditing firm forming joint venture with foreign auditing firms in the following cases:

a) Failure to retain the documents of the joint venture audits carried out with foreign auditing firms for provision of transboundary audit services in Vietnam;

b) Failure to provide the documents of completed joint venture audits with foreign auditing firms to the authorities upon request;

c) Failure to explain about audit statements, audit documents and other problems arising from joint venture audits with foreign auditing firms to the authorities.

d) Failure to notify the Ministry of Finance of the execution of joint venture contracts with foreign auditing firms for provision of transboundary audit services.

3. Additional penalty:

The foreign auditing firm committing any of the violations mentioned in Clause 2 of this Article shall have its certificate of eligibility to provide transboundary audit services suspended for 1-3 months from the day the decision on penalty imposition comes into effect.

Section 8. VIOLATIONS AGAINST REGULATIONS ON NOTIFICATIONS AND REPORTS

Article 66. Penalties for violations against regulations on notification and report obligations of auditing firms

1. A warning shall be imposed on the auditing firm committing one of the following violations:

a) Notifying the Ministry of Finance of changes that have to be notified, as specified in the Law on Independent Audit, less than 15 days after the specified deadline;

b) Submitting annual consolidated reports on the audit practitioners' state of upholding requirements for practicing audit in the unit to the Ministry of Finance less than 15 days after the specified deadline;

c) Notifying the Ministry of Finance in writing less than 15 days after the specified deadline when the certificate of audit practice registration expires or is invalidated in cases where it is required by law to do so;

d) Notifying the loss or damage of certificate of eligibility to provide audit services to the Ministry of Finance less than 15 days after the specified deadline;

dd) Submitting reports on the state of upholding requirements for provision of auditing services to the Ministry of Finance annually or upon request less than 15 days after the specified deadline;

e) Submitting the annual report on the state of operation and the previous year's financial statement to the Ministry of Finance less than 15 days after the specified deadline;

g) Notifying the Ministry of Finance in writing less than 15 days after the specified deadline when the provision of audit services resumes after being put on hold;

h) Submitting the application document for termination of provision of audit services to the Ministry of Finance less than 15 days after the specified deadline;

i) Submitting scheduled and unscheduled reports to the Ministry of Finance upon request less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm committing of the following violations:

a) Notifying the Ministry of Finance of changes in contents that have to be notified, as specified in the Law on Independent Audit, 15 days after the specified deadline or later;

b) Submitting annual consolidated reports on the audit practitioners' state of upholding requirements for practicing audit in the unit, alongside the annual reports on upholding requirements for practicing audit of each auditor, to the Ministry of Finance 15 days after the specified deadline or later;

c) Notifying the Ministry of Finance in writing 15 days after the specified deadline or later when the certificate of audit practice registration expires or is invalidated in cases where it is required by law to do so;

d) Notifying the loss or damage of certificate of eligibility to provide audit services to the Ministry of Finance 15 days after the specified deadline or later;

dd) Submitting reports on the state of upholding requirements for provision of auditing services to the Ministry of Finance annually or upon request 15 days after the specified deadline or later;

e) Submitting the annual report on the state of operation and the previous year's financial statement to the Ministry of Finance less 15 days after the specified deadline or later;

g) Notifying the Ministry of Finance in writing 15 days after the specified deadline or later when the provision of audit services resumes after being put on hold;

h) Submitting the application document for termination of provision of audit services to the Ministry of Finance 15 days after the specified deadline or later;

i) Submitting scheduled and unscheduled reports to the Ministry of Finance upon request 15 days after the specified deadline or later.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm committing one of the following violations:

a) Failure to notify the Ministry of Finance of changes that have to be notified, as specified in the Law on Independent Audit;

b) Failure to submit annual consolidated reports on the audit practitioners' state of upholding requirements for practicing audit in the unit, alongside the annual reports on upholding requirements for practicing audit of each auditor, to the Ministry of Finance;

- c) Failure to notify the Ministry of Finance when the certificate of audit practice registration expires or is invalidated in cases where it is required by law to do so;
- d) Failure to notify the loss or damage of certificate of eligibility to provide audit services to the Ministry of Finance;
- dd) Failure to submit reports on the state of upholding requirements for provision of audit services to the Ministry of Finance annually or upon request;
- e) Failure to submit the annual report on the state of operation and the previous year's financial statement to the Ministry of Finance;
- g) Failure to notify the Ministry of Finance in writing when the provision of audit services resumes after being put on hold;
- h) Failure to submit the application document for termination of provision of audit services to the Ministry of Finance;
- i) Failure to notify the Ministry of Finance in writing of establishment or termination of the auditing firm's overseas office;
- k) Failure to submit scheduled and unscheduled reports to the Ministry of Finance upon request.

Article 67. Penalties for violations against regulations on announcement and notification obligations of audit practitioners

1. A warning shall be imposed on the audit practitioner notifying or reporting to the Ministry of Finance less than 15 days after the specified deadline when:

- a) No longer working for the Vietnamese auditing firm or branch of foreign auditing firm specified in the certificates of audit practice registration, hence having the full-time labor contract with that firm terminated;
- b) The full-time labor contract with the Vietnamese auditing firm or branch of foreign auditing firm expires or is terminated or has changes that make the contract no longer full-time;
- c) The foreign audit practitioner's Vietnamese work permit expires or is invalidated;
- d) Taking up or temporarily resigning from, as an individual, positions of legal representatives, director (or deputy director), chairman of the board of directors, chairman of the members' council, chief accountant (or accounting manager), accountant, internal auditor or other positions in units and organizations other than one's own auditing firm, or having changes in working time and titles in those units;
- dd) The auditing firm undergoes termination of operations, dissolution, bankruptcy, full or partial division, acquisition, consolidation or change of ownership form;

e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the audit practitioner's work.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the audit practitioner notifying or reporting to the Ministry of Finance 15 days after the specified deadline or later when:

a) No longer working for the Vietnamese auditing firm or branch of foreign auditing firm specified in the certificates of audit practice registration, hence having the full-time labor contract with that firm terminated;

b) The full-time labor contract with the Vietnamese auditing firm or branch of foreign auditing firm expires or is terminated or has changes that make the contract no longer full-time;

c) The foreign audit practitioner's Vietnamese work permit expires or is invalidated;

d) Taking up or temporarily resigning from, as an individual, positions of legal representatives, director (or deputy director), chairman of the board of directors, chairman of the members' council, chief accountant (or accounting manager), accountant, internal auditor or other positions in units and organizations other than one's own auditing firm, or having changes in working time and titles in those units;

dd) The auditing firm undergoes termination of operations, dissolution, bankruptcy, full or partial division, acquisition, consolidation or change of ownership form;

e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the audit practitioner's work.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the audit practitioner that fails to notify or report to the Ministry of Finance when:

a) No longer working for the Vietnamese auditing firm or branch of foreign auditing firm specified in the certificates of audit practice registration, hence having the full-time labor contract with that firm terminated;

b) The full-time labor contract with the Vietnamese auditing firm or branch of foreign auditing firm expires or is terminated or has changes that make the contract no longer full-time;

c) The foreign audit practitioner's Vietnamese work permit expires or is invalidated;

d) Taking up or temporarily resigning from, as an individual, positions of legal representatives, director (or deputy director), chairman of the board of directors, chairman of the members' council, chief accountant (or accounting manager), accountant, internal auditor or other positions in units and organizations other than one's own auditing firm, or having changes in working time and titles in those units;

dd) The auditing firm undergoes termination of operations, dissolution, bankruptcy, full or partial division, acquisition, consolidation or change of ownership form;

e) Requested by the Ministry of Finance to provide scheduled or unscheduled information relevant to the audit practitioner's work.

Section 9. VIOLATIONS AGAINST REGULATIONS ON CONTROL OF AUDIT SERVICE QUALITY

Section 68. Penalties for violations against regulations on control of audit service quality of auditing firms and branches of foreign auditing firms

1. A warning shall be imposed on the auditing firm committing of the following violations:

a) Submitting reports on self-inspection of audit service quality to the Ministry of Finance and the State Securities Commission less than 15 days after the specified deadline;

b) Submitting reports on error rectification and implementation of inspectorates' request to the inspecting authority and the professional organization in auditing less than 15 days after the specified deadline;

c) Reporting on independent audit activities upon request of the Ministry of Finance or the State Securities Commission less than 15 days after the specified deadline.

2. A fine ranging from VND 5.000.000 to VND 10.000.000 shall be imposed on the auditing firm committing one of the following violations:

a) Submitting reports on self-inspection of audit service quality to the Ministry of Finance and the State Securities Commission 15 days after the specified deadline or later;

b) Submitting reports on error rectification and implementation of inspectorates' request to the inspecting authority and the professional organization in auditing 15 days after the specified deadline or later;

c) Reporting on independent audit activities upon request of the Ministry of Finance or the State Securities Commission insufficiently or 15 days after the specified deadline or later.

d) Late or insufficient provision of information and documents upon request of the competent authority during the control of audit service quality process.

3. A fine ranging from VND 10.000.000 to VND 20.000.000 shall be imposed on the auditing firm committing one of the following violations:

a) Failure to submit reports on self-inspection of audit service quality to the Ministry of Finance and the State Securities Commission;

b) Failure to submit reports on error rectification and implementation of inspectorates' request to the inspecting authority and the professional organization in auditing;

c) Failure to report on independent audit activities upon request of the Ministry of Finance or the State Securities Commission;

d) Failure to provide information and documents upon request of the competent authority during the control of audit service quality process.

4. A fine ranging from VND 20.000.000 to VND 30.000.000 shall be imposed on the auditing firm committing one of the following violations:

a) Failure to create a service quality control system for audit services, review services, financial information, other assurance services and related services;

b) Failure to create policies and quality control processes for each audit;

a) Failure to conduct and implement service quality control in audit services, review services, financial information, other assurance services and related services;

d) Failure to implement policies and quality control processes in each audit;

dd) Provision of false or inaccurate information or documents for the competent authority during the control of audit service quality process.

e) Failure to explain to and cooperate with the competent authority during the control of audit service quality process.

g) Failure to appoint audit practitioners and other related staff to work with the inspectorates;

h) Failure to sign the inspection report right after the inspection is complete.

5. Additional penalty:

The auditing firm committing any of the violations mentioned in Point d, Clause 3, Points e and f, Clause 4 of this Article shall have its certificate of eligibility to provide audit services suspended for 1-3 months from the day the decision on penalty imposition comes into effect.

Chapter IV

POWER TO RECORD AND IMPOSE PENALTIES FOR ADMINISTRATIVE VIOLATIONS REGULATED BY THIS DECREE

Article 69. Power to record administrative violations regulated by this Decree

Those with the power to record administrative violations regulated by this Decree are:

1. Those with the power to impose penalties for administrative violations regulated by this Decree, as specified in Articles 70 and 71 of this Decree.

2. Officials, public employees, officers of the People's Public Security or the People's Army who are on duty as specified by legislative documents or administrative documents promulgated by competent authorities have the right to record administrative violations within the extent of their duty.

Article 70. Power of Finance Inspector to impose penalties for administrative violations

1. Finance Inspectors of all levels have the right to issue warnings in the fields of accounting and independent audit.

2. Chief Inspectors of province-level Departments of Finance are entitled to:

a) Issue warnings;

b) Impose fines up to VND 25.000.000;

c) Confiscate evidence of administrative violations whose value do not exceed the fine specified in Point b of this Clause.

d) Impose suspension of certificates of registration for accounting practice, certificates of registration for auditing practice, certificates of eligibility for providing accounting and audit services or suspension of operations.

dd) Enforce remedial measures specified in Article 5 of this Decree.

3. The Chief Inspector of the Ministry of Finance has the right to impose penalties for administrative violations regulated by this Decree as follows:

a) Issue warnings;

b) Impose fines up to VND 50.000.000;

c) Confiscate evidence of administrative violations;

d) Impose suspension of certificates of registration for accounting practice, certificates of registration for auditing practice, certificates of eligibility for providing accounting and audit services or suspension of operations.

dd) Enforce remedial measures specified in Article 5 of this Decree.

Article 71. Power of People's Committees of all levels to impose penalties for administrative violations

1. Chairpersons of commune-level People's Committees are entitled to:

- a) Issue warnings;
- b) Impose fines up to VND 5.000.000;
- c) Confiscate evidence of administrative violations whose value do not exceed the fine specified in Point b of this Clause.

2. Chairpersons of district-level People's Committees are entitled to:

- a) Issue warnings;
- b) Impose fines up to VND 25.000.000;
- c) Confiscate evidence of administrative violations whose value do not exceed the fine specified in Point b of this Clause.
- d) Impose suspension of certificates of registration for accounting practice, certificates of eligibility for providing accounting services or suspension of operations.
- dd) Enforce remedial measures specified in Article 5 of this Decree.

3. Chairpersons of province-level People's Committees have the right to impose penalties for administrative violations regulated by this Decree as follows:

- a) Issue warnings;
- b) Impose fines up to VND 50.000.000 on individuals;
- c) Confiscate evidence of administrative violations;
- d) Impose suspension of certificates of registration for accounting practice, certificates of registration for auditing practice, certificates of eligibility for providing accounting and audit services or suspension of operations;
- dd) Enforce remedial measures specified in Article 5 of this Decree.

Chapter V

IMPLEMENTATION PROVISIONS

Article 72. Implementation provisions

1. This Decree is in effect from May 1, 2018.

2. This Decree replaces the Government's Decree No.105/2013/ND-CP dated September 16, 2013 on penalties for administrative violations in the fields of accounting and independent audit.

3. Implementation of the regulations of this Decree to violations that occur before this Decree is in effect:

If this Decree specifies no legal responsibility or lighter legal responsibility for a violation that occurs before the date this Decree is in effect but is discovered later or being deliberated and processed, this Decree shall be implemented.

4. The regulations of the Government's Decree No. 105/2013/ND-CP shall apply to decisions on penalty imposition in the fields of accounting and independent audit which are issued or implemented before this Decree is in effect and appealed against by the penalized entities.

Article 73. Implementation responsibilities

1. The Minister of Finance shall be responsible for instructing and organizing the implementation of this Decree.

2. Ministers, heads of ministry-level agencies, heads of the Government's affiliates, Chairpersons of province-level People's Committees shall be responsible for implementing this Decree./.

**ON BEHALF OF THE GOVERNMENT
PRIME MINISTER**

Nguyen Xuan Phuc

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