

(Translation)

Official Emblem

**The Notification of the Department of Business Development
on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2558 (2015)**

It is deemed appropriate to amend the Notification of the Department of Business Development on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2557 (2014).

Under the last paragraph of Section 8 of the Royal Decree on the Criteria and Method of Good Governance, B.E. 2546 (2003), the Director-General of the Department of Business Development has announced as follows:

1. This Notification is called “the Notification of the Department of Business Development on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2558 (2015).”

2. The Notification of the Department of Business Development on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2557 (2014) dated 7 January 2014 shall be cancelled.

3. In this Notification

“Accounting Firm” means an ordinary person or group of persons or juristic person registered and located in Thailand which provides bookkeeping services.

“Office Head” means the person in charge of the operation of the accounting firm with regard to provision of bookkeeping services to the person charged with the accounting duty.

“Bookkeeper” means the bookkeeper according to the Accounting Act, B.E. 2543 (2000) working for the accounting firm.

“Auditor” means the person in charge of auditing an accounting firm that applies for quality certification, and also of monitoring the operation of certified accounting practice.

“Requirements for Accounting Firm Quality Certification” means the requirements for accounting firm quality certification whose details can be found in the Annex to this Notification.

“Certificate” means an accounting firm quality certificate issued by the Department of Business Development to the accounting firm which has been audited according to the requirements for accounting firm quality certification.”

“Department” means the Department of Business Development, Ministry of Commerce.

“Director-General” means the Director-General of the Department of Business Development.

4. To apply for a certificate, the accounting firm must have the following qualifications:
 - (1) Has operated the bookkeeping business for at least 1 year.
 - (2) Provide bookkeeping services to the person charged with the accounting duty according to Section 8 Paragraph 1 of the Accounting Act, B.E. 2543 (2000), which can be categorized by size as follows:
 - (a) Small (between 15-29)
 - (b) Medium (between 30-49)
 - (c) Large (50 or over)
 - (3) Has a full-time office head with at least a bachelor's degree in accounting or equivalent or with a certificate or other degree equivalent to a bachelor's degree in accounting certified by the Federation of Accounting Professions, with no less than 5 years experience in bookkeeping. In addition, the person must report his/her position as a bookkeeper to the Department according to the Notification of the Department of Business Development on Bookkeeper Qualifications and Conditions, B.E. 2557 (2014).
 - (4) Has at least one full-time assistant bookkeeper with at least a bachelor's degree in accounting or equivalent, or with a certificate or other degree equivalent to a bachelor's degree in accounting certified by the Federation of Accounting Professions.
 - (5) Has Tax Identification Number.
 - (6) In case the accounting firm is established in the form of group of persons or juristic person, the owners, partners or directors, as the case may be, who are responsible for bookkeeping services must also possess the qualifications as in Clause 4(3).
5. The accounting firm that wishes to apply for a certificate must not have the following prohibited qualifications:
 - (1) A certificate has been revoked, except that such revocation already exceeded one year.
 - (2) Violate the conditions in Clause 14 and 18, except that such violation already exceeded one year.
 - (3) The office head is a bankrupt person.
 - (4) In case the accounting firm is established in the form of group of persons or juristic person, the owners, partners or directors, as the case may be, who are responsible for bookkeeping services must not have the prohibited qualifications as in Clause 5(3).
6. The accounting firm applying for a certificate must follow and undergo the accounting firm quality certification processes as follows:
 - (1) Provide details relating to the application for quality certification according to Accounting Firm Quality Certification Application Form (Form Ror.SorBor. 1) attached to this Notification, along with evidence stated in Form Ror.Sor Bor. 1.

(Translation)

-3-

In case the accounting firm has branches, each branch must file an application for a certificate separately.

(2) Undergo and pass a quality audit according to the requirements for accounting firm quality certification by the auditor from the organizations set by the Department as follows:

- (a) The Management System Certification Institute (Thailand) (MASCI) or
- (b) Other organizations approved by the Department

The accounting firm shall be responsible for the quality audit fee at the rate charged by the audit unit.

In case the accounting firm applying for a certificate has been certified for its quality management system by the Management System Certification Institute (Thailand) (MASCI) or other organizations approved by the Department, such accounting firm will be exempted from a quality audit in terms of quality system management certification. However, it needs to be audited for its accounting standard and other requirements additionally stipulated by the Department without paying additional fees.

(3) Be granted approval from the Department to be an accounting firm with certified accounting practice.

7. The accounting firm which has been through the accounting firm quality certification process will receive a certificate. The office name and location will be published for public acknowledgement.

8. The certificate is valid for 3 years from the date of issue.

9. Throughout the certificate validity, the certified accounting firm must observe the following conditions:

(1) Follow the requirements for accounting firm quality certification, and later changes to the requirements.

(2) Undergo the auditing process at least once a year, which might be in the form of total or partial re-audit as deemed appropriate. The accounting firm will be responsible for the quality audit fee at the rate charged by the audit unit.

In case the accounting firm has been certified for its quality management system by the Management System Certification Institute (Thailand) (MASCI) or other organizations approved by the Department, it needs to undergo the quality auditing process at least once a year. Such accounting firm will be exempted from quality audit in terms of quality system management certification, but needs to be audited for accounting standard and other requirements additionally stipulated by the Department without paying additional fees.

(Translation)

-4-

If the accounting firm wishes to be audited for quality and quality management system standard at the same time by the Management System Certification Institute (Thailand) (MASCI) or other organizations approved by the Department, it is allowed to do so. In this case, the accounting firm will be responsible only for the quality management system standard audit fee at the rate charged by the Management System Certification Institute (Thailand) (MASCI) or other organizations approved by the Department.

(3) Cooperate with the auditor every time of audit and allow other organizations approved by the Department to take part in auditing observation, as well as submit documentary evidence relating to quality certification to the auditor and the Department upon request.

(4) Do not misuse the certificate in a way to discredit the Department or use it as a reference to persons or other organizations which could cause confusion or misunderstanding.

(5) In case the Department reports complaints from third parties about nonconforming practice to the requirements for accounting firm quality certification, the accounting firm must consider such complaints and notify the Department of its action within the stipulated period.

10. The Department is authorized to schedule additional quality audit or total re-audit without having to notify the certified accounting firm in advance throughout the period of certificate validity in the following cases:

(1) There are reasons to believe that the accounting firm quality has decreased or does not conform to the requirements for accounting firm quality certification.

(2) There are important changes to the office which might affect the operation of the certified accounting firm.

(3) There are well-grounded complaints about nonconforming practice based on the requirements for accounting firm quality certification.

11. In case the certificate is expired and the accounting firm wishes to renew it, the following actions must be taken:

(1) Provide relevant details according to Accounting Firm Quality Certificate Renewal Application Form (Form Ror.SorBor. 2) attached to this Notification, along with the evidence specified in Form Ror.Sor Bor. 2 within 90 days before the expiry date.

(2) Undergo the accounting firm quality certification process as in Clause 6(2) and (3).

12. In case there are important changes to the certified accounting firm, for instance, office relocation, business transfer, changes of chief executives, changes of accounting firm status, etc., the certified accounting firm must report the relocation or such changes to the Department within 30 days from the date of such changes, as the case may be, according to General Application Form (Form Ror.SorBor. 3) attached to this Notification, along with documentary evidence as specified in Form Ror.SorBor. 3. In addition, in such case, the accounting firm must undergo total or partial quality re-audit as deemed appropriate. Upon passing the audit, the accounting firm will receive a new certificate with the same validity period as the former one.

13. In case the accounting firm wishes to cancel accounting firm quality certification or stop the bookkeeping business, it must notify the Department in writing at least 45 days in advance from the date the accounting firm has the resolution to cancel certification or stop the business by submitting General Application Form (Form Ror.SorBor. 3) attached to this Notification, along with documentary evidence as specified in Form Ror.SorBor. 3.

14. In case the certificate is revoked or there is a request to cancel the certification or stop the bookkeeping business, the certificate must be returned to the Department within 15 days from the date acknowledging the order or the date canceling certification or stopping the business, as the case may be.

15. The Department may order suspension or revocation of a certificate in the following cases:

(1) The office head or owners or partners or directors, as the case may be, is/are a bankrupt person and is/are prohibited from the accounting profession or whose membership of the Federation of Accounting Professions is revoked.

(2) Failure to follow or violation to the condition in Clause 9.

(3) Other cases determined by the Department to cause damage or affect accounting firm quality certification.

16. If the accounting firm's certificate is suspended from use or revoked, and if it is found that such accounting firm has other offices or branches with the same office head or owners or partners or directors, the auditor will perform a quality audit at other accounting firms or branches. If the operation of such firms or branches are found to damage or affect quality certification, certificates of such accounting firms or branches may be suspended from use or revoked.

17. Each certificate suspension lasts 180 days.

18. In case of certificate suspension or revocation, or request for cancelling certification or stopping the bookkeeping business, publications or advertisements referring to accounting firm quality certification must be stopped from use immediately.

(Translation)

-6-

19. For any certified accounting firm whose certificate has been suspended from use, the Department may revoke the certificate again if there are appropriate reasons for the Department to suspend or revoke the certificate according to Clause 15 within the period of 3 years from the date ordering the first certificate suspension.

20. In case the certificate is damaged or lost or the accounting firm name is changed, the accounting firm must file an application to the Department within 30 days from the date of such damage, loss or changes of accounting firm name, in order to request a replacement certificate.

21. The auditor approved by the Department according to Clause 6(2) (b) and the accounting firm certified before the effective date of this Notification will be deemed as an approved auditor and a certified accounting firm under this Notification.

22. For any accounting firm applying for a certificate according to Accounting Firm Quality Certificate Application Form (Form Ror.SorBor. 1), or filing Accounting Firm Quality Certificate Renewal Application Form (Form Ror.SorBor. 2) or General Application Form (Form Ror.SorBor. 3) prior to the effective date of this Notification, such application will be deemed as having been filed under this Notification.

This shall be effective from now onwards.

Announced on May 2015.

(Translation)

(Annex to the Notification of the Department of Business Development on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2558 (2015))

Requirements for Accounting Firm Quality Certification

Table of Contents	Page
Introduction.....	1
1.Definitions.....	2
2.Components of accounting firm quality system.....	2
3.Accounting firm executives responsibilities.....	3
4.Accounting firm ethical requirements.....	4
5.Processes relating to accounting firm customers.....	4
6.Accounting firm resource management.....	5
7.Accounting firm operation.....	5
8.Accounting firm monitoring and audit.....	6
9.Accounting firm filing system.....	6

Introduction

1. The objectives of these requirements for accounting firm quality certification are to serve as criteria for supervising and developing accounting firms to conduct bookkeeping services for business operators and for themselves under the law and accounting standard, and to develop and upgrade accounting firms to reach the same standard and be widely accepted.
2. Additional standard adopted in the requirements for accounting firm quality certification is used for controlling the quality of accounting firms that request quality certification, which is applied from the International Standard on Quality Control (ISQC) 1 and ISO 9001 Quality Management System.
3. Accounting firms should establish an appropriate quality control system to show that they follow these requirements for accounting firm quality certification.
4. These requirements for accounting firm quality certification serve as an amendment to the requirements for accounting firm quality certification which is an annex to the Notification of the Department of Business Development on Criteria and Conditions for Accounting Firm Quality Certification, B.E. 2558 (2015), dated 19 May 2015 to be more complete, up-to-date and consistent with ISO 9001: 2008 and other changing requirements, as well as Code of Ethics for Professional Accountants.
5. These requirements for accounting firm quality certification can be applied to all accounting firms.

1. Definitions

Accounting Firm Quality System means the system which determines policies, objectives and operations to achieve the objectives, in order to set the directions and control the organization in terms of quality of bookkeeping and relevant activities to be consistent with the law and accounting standard.

Accounting Firm means an ordinary person or group of persons or juristic person registered and located in Thailand which provides bookkeeping services. At least one office head or owner or partner or director, as the case may be, who is responsible for bookkeeping services must hold at least a bachelor's degree in accounting, work full time and report his/her position as a bookkeeper to the Department of Business Development, Ministry of Commerce. In addition, there must be a full-time assistant bookkeeper with at least a bachelor's degree in accounting or equivalent.

Bookkeeper means the bookkeeper according to the Accounting Act, B.E. 2543 (2000) working for the accounting firm.

Assistant Bookkeeper means an assistant to the office head.

Persons Involved with the Bookkeeper means

- Assistant bookkeeper who plays an important role in the work.
- Shareholders or partners of the accounting firm.
- The bookkeeper's spouse or children who have not reached their legal age.
- The spouse and children who have not reached their legal age of the assistant bookkeeper who plays an important role in the work.
- The accounting firm shareholders' or partners' spouse and children who have not reached their legal age.
- The accounting firm.
- The parent company, subsidiary companies and associated companies of the accounting firm.

Chief Executive means the person with the highest power in the organization that provides bookkeeping services.

2. Components of accounting firm quality system

2.1 The accounting firm quality system consists of important policies and procedures as follows:

- 2.1.1 Accounting firm executive responsibilities
- 2.1.2 Accounting firm ethical requirements
- 2.1.3 Processes relating to accounting firm customers
- 2.1.4 Accounting firm resource management
- 2.1.5 Accounting firm operation
- 2.1.6 Accounting firm monitoring and audit
- 2.1.7 Accounting firm filing system

(Translation)

-3-

2.2 The quality policy and procedure must be created in writing to suit the accounting firm. Moreover, they need to be communicated to the officers in the accounting firm thoroughly.

3. Accounting firm executive responsibilities

3.1 Executives' commitment

Chief executives must show the evidence of their commitment to develop and adopt the accounting firm quality system and improve it consistently by

- 3.1.1 Communicating within the accounting firm about the importance of practice based on the accounting standard in terms of bookkeeping and code of ethics, customers' needs, rules and regulations, and laws relating to the accounting professions.
- 3.1.2 Setting the quality policy.
- 3.1.3 Creating business plans.
- 3.1.4 Monitoring and auditing.
- 3.1.5 Allocating sufficient resources.

3.2 Focusing on customers

Chief executives must ensure that customers' needs must be brought into consideration and met, with an aim to promote customers' satisfaction, under the laws relating to accounting profession, standard and ethics.

3.3 Quality policy

Chief executives must ensure that the policy on quality must:

- 3.3.1 Be appropriate with the accounting firm's objectives.
- 3.3.2 Facilitate the operation to comply with the laws, accounting standard and ethics, and consistent improvement of quality system effectiveness.
- 3.3.3 Serve as a framework for creating business plans.
- 3.3.4 Be communicated and understood in the accounting firm.
- 3.3.5 Always be appropriately reviewed.

3.4 Business planning

The accounting firm must set and create business plans, and annual financial plans in writing.

3.5 Responsibilities, roles and communication

3.5.1 Responsibilities and roles

Chief executives must ensure that officers' roles and responsibilities are defined in writing and communicated throughout the accounting firm.

3.5.2 Internal communication

Chief executives must ensure that there are appropriate means for communication in the accounting firm and always take into account the effectiveness of accounting firm quality system.

3.5.3 Management review

Chief executives must regularly review the accounting firm management and document the review results.

3.6 Cooperation with the government sector

The accounting firm must cooperate with the government sector in supervising and publishing useful information from the government sector to the customers.

4. Accounting firm ethical requirements

The office head or partners or directors, as the case may be, must supervise the accounting firm personnel to observe the regulations of the Federation of Accounting Professions (Issue No. 19) on Code of Ethics for Professional Accountants, B.E. 2553 (2010), which consists of the following:

- 4.1 Transparency, freedom, fairness, and honesty.
- 4.2 Knowledge, abilities and work standards.
- 4.3 Confidentiality.
- 4.4 Responsibilities towards service users.
- 4.5 Responsibilities towards shareholders, partners, individuals or juristic persons that professional accountants provide the service for.
- 4.6 Responsibilities towards professional colleagues.

In addition, the regulations and requirements on Code of Ethics for Professional Accountants added later by the Federation of Accounting Professions must be followed:

5. Processes relating to accounting firm customers

- 5.1 The accounting firm must set the criteria for fee calculation.
- 5.2 The accounting firm must write clear contracts which are accepted by the customers.
- 5.3 The accounting firm must clearly set the period of fee collection.
- 5.4 The accounting firm must issue a receipt to the customer for every payment.
- 5.5 In case the customer assigns the responsibilities to the accounting firm to act on his/her behalf, for example, customer's tax remittance, social security fund remittance, etc., the accounting firm must proceed with the remittance and complete the work as assigned by the customer.
- 5.6 For customer's asset protection, the accounting firm must create evidence of asset delivery and receipt, as well as maintenance and storage. The customer's assets must not be used for negotiating the accounting firm's benefit, such as seizing the customer's account and documents and not returning them to the customer.

6. Accounting firm resource management

6.1 Tools and equipment

The accounting firm must supply and provide maintenance to tools and equipment necessary for bookkeeping to facilitate effective work, as well as must organize the workplace to create good work environment, safety, and order, which might lead to better productivity, such as 5S Training.

6.2 Human resources

- 6.2.1 The accounting firm personnel must be equipped with knowledge and abilities for the position. These include outsourced personnel who work for the accounting firm.
- 6.2.2 The bookkeeper must possess the qualifications according to the Accounting Act, B.E. 2543 (2000) and the Accounting Profession Act, B.E. 2547 (2004).
- 6.2.3 New personnel or personnel whose job position has been transferred must be informed or trained before starting work. In addition, the accounting firm must closely monitor their work to ensure that the personnel understand their roles and tasks.
- 6.2.4 The accounting firm personnel must receive additional training as deemed appropriate and meet the requirements of the law.
- 6.2.5 The accounting firm personnel must be communicated and equipped with responsibilities towards the needs of customers/relevant laws and regulations.
- 6.2.6 In case of outsourcing a bookkeeper, the accounting firm must have measures to supervise such bookkeeper to observe the laws relating to the accounting profession, accounting standard and ethics.

7. Accounting firm operation

- 7.1 The accounting firm must conduct correct bookkeeping in accordance with the law.
- 7.2 The accounting firm must have a bookkeeper work manual, and such manual must be followed.
- 7.3 The accounting firm must inform its personnel about the work objectives and conduct additional training as deemed appropriate to facilitate the work to meet its objectives.
- 7.4 The accounting firm must provide supervision and monitoring of work progress, and provide solutions to problems of such work.
- 7.5 The accounting firm must appoint and assign a person to review and revise the work before being delivered to the customer.

8. Accounting firm monitoring and audit

- 8.1 The accounting firm must have the process to audit its own work at an appropriate period to make sure that the work is in accordance with the business plans and law requirements. The audit can be performed by the accounting firm itself or outsiders.
- 8.2 If problems from monitoring and audit are found, the accounting firm must analyze the cause and find solutions to ensure that such problems will not recur.
- 8.3 The accounting firm must have the process for handling customer's complaints, including cause analysis, corrective action and giving responses to the customers.
- 8.4 The accounting firm must document the results of operation as in Clause 8.1-8.3 and keep record for an appropriate period of time.

9. Accounting firm filing system

- 9.1 The accounting firm must have a measure to keep up with the latest laws relating to the accounting profession.
 - 9.2 The accounting firm must record the customers' and its own data in a way to prevent damage, loss or deterioration, and set the record keeping period based on the relevant laws.
 - 9.3 In case the data is kept in an electronic form, the data must be backed up at an appropriate cycle and place.
-