

Summary of the Accounting Professions Act B.E. 2547 (2004)

This Act prescribes roles of the Federal of Accounting Professions (TFAC), its members, its executive board and the Accounting Standards committee. This Act also covers the audit practice control, the bookkeeping practice control, the professional ethics of accounting practitioners, and the regulatory supervision.

FEDERATION OF ACCOUNTING PROFESSIONS

The Federation of Accounting Professions (TFAC) is a juristic person with the objects of promoting and developing accounting professions.

A juristic person which operates the business of providing the auditing service, the bookkeeping service or accounting services in other fields must also register with TFAC.

MEMBERS OF THE FEDERATION OF ACCOUNTING PROFESSIONS

Members of TFAC are classified into four categories as follows:

- (1) ordinary members;
- (2) extraordinary members;
- (3) associate members; and
- (4) honorary members.

An ordinary member, an extraordinary members, and an associate members must possess the qualifications and must not be under any of the prohibitions as prescribed by TFAC.

Honorary members are qualified persons invited to become members at the resolution of the Executive Board of TFAC.

An ordinary general meeting of TFAC must be held at least once a year. All general meetings other than ordinary general meetings are called extraordinary general meetings.

EXECUTIVE BOARD OF THE FEDERATION OF ACCOUNTING PROFESSIONS

The President of TFAC and members of the Executive Board shall hold office for a term of three years.

The Chairperson of the accounting professions committee in each field shall be elected amongst ordinary members at a general meeting of the Federation of Accounting Professions.

ACCOUNTING STANDARDS COMMITTEE

The Accounting Standards Committee consists of not less than seven but not more than eleven qualified persons appointed by the Executive Board of TFAC from those possessing knowledge, expertise and experience related to accountancy and the representative of the Department of Insurance, the representative of the Department of Business Development, the representative of the Revenue Department, the representative of the Bank of Thailand, the representative of the Office of the Auditor-General and the representative of the Office of the Securities and Exchange Commission, as members of the Committee.

The qualified members hold office for a term of three years.

The Accounting Standards Committee shall have the power and duty to formulate and revise accounting standards to be used in bookkeeping under the law on accounting and other laws.

The accounting standards must be prepared in Thai.

The accounting standards formulated and revised by the Accounting Standards Committee shall come into force upon approval by the

Accounting Professions Regulatory Commission and publication in the Government Gazette.

AUDITING PRACTICE CONTROL

No person shall sign in certification of the audit or of the document or give an opinion in the capacity as an auditor unless such person is a certified auditor or exercises the power and performs the duty in the course of official service.

A person may be a certified auditor upon being granted a license by TFAC. An applicant for a license to operate as a certified auditor must possess the qualifications and must not be under any of the prohibitions as prescribed by TFAC.

BOOKKEEPING PRACTICE CONTROL

A person shall not practice as a bookkeeper unless upon becoming a member of TFAC or upon registration with TFAC.

PROFESSIONAL ETHICS OF ACCOUNTING PRACTITIONERS

Professional ethics of accounting practitioners consists of at least the following matters:

- (1) transparency, independence, fairness and integrity;
- (2) knowledge, capability and standards required for the performance of work;
- (3) accountability to clients and confidentiality; and
- (4) accountability to shareholders, partners, persons or juristic persons for whom or for which accounting practitioners perform their duties.

The penalties for a breach of professional ethics are as follows:

- (1) a written warning;
- (2) a probation;

- (3) a suspension of the license, a suspension of the registration or a prohibition from the accounting practice in the field in which the breach of professional ethics has occurred for a specified period not exceeding three years; or
- (4) a revocation of the license, a revocation of the registration or an order terminating TFAC membership.

REGULATORY SUPERVISION

An Accounting Professions Regulatory Commission consists of Permanent Secretary for the Ministry of Commerce, as Chairperson, Director-General of the Department of Insurance, Director-General of the Revenue Department, Auditor-General, Governor of the Bank of Thailand, Secretary-General of the Office of the Securities and Exchange Commission, President of TFAC, President of the Federation of Thai Industries, Chairman of the Thai Bankers' Association and President of the Board of the Thai Chamber of Commerce; and qualified members appointed by the Minister, two from persons possessing knowledge and expertise in accountancy and one from persons possessing knowledge and expertise in law.

The Director-General of the Department of Business Development shall be a member and secretary and shall appoint officials of the Department of Business Development as assistant secretaries as is necessary.

A qualified member holds office for a term of three years and may be re-appointed but may not hold office for more than two consecutive terms.

The Accounting Professions Regulatory Commission shall have the powers and duties to exercise supervision over the operation of TFAC affairs to ensure compliance with the law and in line with its objects, to give approval to the accounting standards, and to consider appeals of (1) applicants for a license to operate as certified auditors (2) the

person making the allegation or the person inflicted with the penalty by the order of the Professional Ethics Committee.

Business Accounting Supervision Division
The Department of Business Development
Ministry of Commerce of Thailand