

(Translation)*

**ACCOUNTING PROFESSIONS ACT,
B.E. 2547 (2004)**

BHUMIBOL ADULYADEJ, REX;

Given on the 12th Day of October B.E. 2547;

Being the 59th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to have the law on accounting professions;

Whereas it is aware that this Act contains certain provisions in relation to the restriction of rights and liberties of persons, in respect of which section 29, in conjunction with section 50 of the Constitution of the Kingdom of Thailand so permits by virtue of provisions of law;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Assembly, as follows.

Section 1. This Act is called the “Accounting Professions Act, B.E. 2547 (2004)”.

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.**

Section 3. The Auditors Act, B.E. 2505 (1962) shall be repealed.

Section 4. In this Act,

“accounting professions” means the professions in the fields of bookkeeping, auditing, managerial accounting, accounting system design, tax accounting, accounting education and technology and accounting-related services in such other areas as prescribed in the Ministerial Regulation;

“bookkeeper” means the bookkeeper under the law on accounting;

“general meeting” means an ordinary general meeting or an extraordinary general meeting;

* Translation by Dr. Pinai Nanakorn, Faculty of Law, Thammasat University, for the Department of Business Development, Ministry of Commerce

** Published in Government Gazette, Vol. 121, Part 65a, dated 22nd October 2004.

“member” means a member of the Federation of Accounting Professions;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. The Minister of Commerce shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

CHAPTER I FEDERATION OF ACCOUNTING PROFESSIONS

Section 6. There shall be the Federation of Accounting Professions as a juristic person with the objects of promoting and developing accounting professions.

Section 7. The Federation of Accounting Professions has the powers and duties as follows:

(1) to promote education, training and research related to accounting professions;

(2) to promote unity and uphold the honour of members and provide welfare as well as assistance amongst members;

(3) to formulate accounting standards, auditing standards and other standards related to accounting professions;

(4) to lay down professional ethics of accounting practitioners;

(5) to approve registration of the accounting practice and issue, suspend or revoke licences for operating as accounting practitioners;

(6) to accredit degrees or certificates in accountancy of educational institutions for the purpose of granting membership;

(7) to accredit knowledge and expertise in the accounting practice;

(8) to accredit training programmes required for becoming experts and continuing education, in varying fields, of accounting practitioners;

(9) to monitor behaviours and work operation of members or registrants in connection with the accounting practice to ensure compliance with ethics in accounting professions;

(10) to provide assistance and advice as well as disseminate and provide technical knowledge in connection with accounting professions to the public;

(11) to issue Regulations of the Federation of Accounting Professions;

(12) to represent accounting practitioners;

(13) to provide advice and recommendations to the Government in connection with policies and problems in accounting professions; and

(14) to carry out other activities to ensure the achievement of the objects, powers and duties of the Federation of Accounting Professions.

Section 8. The Federation of Accounting Professions may have the following revenues:

(1) membership fees and other fees under this Act;

(2) subsidies from State budgetary appropriation;

(3) benefits accruing from the management of property and the operation of the Federation of Accounting Professions;

(4) money and property donated to the Federation of Accounting Profession; and

(5) fruits of the money and property under (1), (2), (3) and (4).

Section 9. Subject to the provisions of Chapter V, Auditing Practice Control and Chapter VI, Bookkeeping Practice Control, in the case where the accounting practice in any field has impacts on public interest or where there arises a need to protect the public and develop or regulate the accounting practice in any particular field, Royal Decrees may be issued to the effect of requiring the accounting practice in such field to be subject to a licence or registration with the Federation of Accounting Professions.

Section 10. When a Royal Decree under section 9 applies to any particular field of accounting professions, no person shall practise in such field of accounting professions unless upon a licence being granted by or registration being made with the Federation of Accounting Professions.

The application for a licence, application approval, issuance of licences and registration of accounting practitioners under paragraph one shall be in accordance with the forms, rules, procedures and conditions prescribed in Regulations of the Federation of Accounting Professions.

In the registration for the practice in accounting professions, the Federation of Accounting Professions may require non-member registrants to pay an annual fee but may not fix such fee in any amount higher than the membership fee or the licence fee annually collectible from members of the Federation of Accounting Professions.

Section 11. A juristic person which operates the business of providing the auditing service, the bookkeeping service or accounting services in other fields as prescribed in the Royal Decrees under section 9 must register with the Federation of Accounting Professions in accordance with the following conditions:

(1) such juristic person must provide securities for liability to third persons in accordance with the types, amount, rules and procedures prescribed in the Ministerial Regulation; and

(2) in the case of operating the business of providing the auditing service, the person with the authority to sign for binding the juristic person to the provision of the auditing service must be one to whom a licence has been granted for practising as a certified auditor.

In determining the securities under paragraph one, regard shall be had to the size and revenues of the juristic person in question, and opinions of agencies concerned as well as of the Federation of Accounting Professions shall also be taken into account.

In the case where an auditor must be liable to a third person, the juristic person to which such auditor is affiliated shall also be jointly liable as a joint debtor and, in the case where the full amount of damages remains unable to be paid, the partner or director with the authority to sign for binding the juristic person or any representative of the juristic person who is responsible for its operation must be jointly liable to the full amount thereof, unless such person can prove that he was not involved in or give consent to the commission of the culpable act.

CHAPTER II

MEMBERS OF THE FEDERATION OF ACCOUNTING PROFESSIONS

Section 12. Members of the Federation of Accounting Professions are classified into four categories as follows:

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

Section 13. An ordinary member must possess the qualifications and must not be under any of the prohibitions as follows:

- (1) being of not less than twenty years of age;
- (2) being of Thai nationality;
- (3) having graduated with not lower than a Bachelor's degree in accountancy or having obtained a diploma or any other qualification equivalent to a bachelor's degree in the field of accountancy accredited by the Federation of Accounting Professions or having completed education in other fields as prescribed by the Federation of Accounting Professions;

(4) not being in breach of such professional ethics resulting in prejudicial effects on the dignity of accounting professions as prescribed in the Regulation of the Federation of Accounting Professions;

(5) not having been imprisoned by a final judgment to a term of imprisonment in a case involving a breach of such professional ethics resulting in prejudicial effects on the dignity of accounting professions as prescribed in the Regulation of the Federation of Accounting Professions; and

(6) not being an incompetent person or a quasi-incompetent person or developing any diseases as prescribed in the Regulation of the Federation of Accounting Professions.

Section 14. Extraordinary members and associate members must be of Thai nationality and must possess such qualifications and not be under such prohibitions as prescribed in the Regulation of the Federation of Accounting Professions.

The provisions of paragraph one shall not apply to a person not being of Thai nationality but being a national of a country allowing Thai nationals to practise as an auditor in such country and intending to apply for extraordinary membership, provided that such person must possess the qualifications and must not be under the prohibitions under section 13 (1), (3), (4), (5) and (6).

Section 15. Honourary members are qualified persons invited to become members at the resolution of the Executive Board of the Federation of Accounting Professions.

Section 16. Ordinary members have the following rights and duties:

(1) to express opinions at general meetings;

(2) to vote at general meetings;

(3) to elect or be elected or appointed as members of the Executive Board or hold other offices in connection with affairs of the Federation of Accounting Professions under this Act;

(4) to pay membership fees or other fees prescribed in the Regulation of the Federation of Accounting Professions;

(5) to uphold the dignity of accounting professions and behave in accordance with the provisions of this Act; and

(6) to exercise other rights and perform other duties as prescribed by the Federation of Accounting Professions.

Extraordinary members, associate members and honourary members have the rights and duties under (1), (4), (5) and (6).

Section 17. Membership terminates upon:

(1) death;

(2) resignation;

(3) being disqualified or being under any of the prohibitions under section 13 or section 14 or, in the case of honorary members, being revoked by a resolution of the Executive Board of the Federation of Accounting Professions; or

(4) failure to pay the membership fee without any reasonable cause as prescribed in the Regulation of the Federation of Accounting Professions.

Section 18. There shall be an ordinary general meeting of the Federation of Accounting Professions at least once a year.

All general meetings other than ordinary general meetings are called extraordinary general meetings.

Section 19. Ordinary members may request an extraordinary general meeting to be held, in accordance with the rules and procedures prescribed in the Regulation of the Federation of Accounting Professions. For this purpose, the President of the Federation of Accounting Professions must summon an extraordinary general meeting within thirty days as from the date of receipt of the request.

Section 20. At a general meeting, the presence of not less than two hundred ordinary members is required to constitute a quorum.

At any general meeting, if upon the lapse of thirty minutes as from the appointed time the presence of ordinary members fails to constitute the quorum under paragraph one and such meeting is summoned under section 19, such meeting shall be cancelled. But, if the meeting is summoned by the Executive Board of the Federation of Accounting Professions, such meeting shall be postponed. For this purpose, the President of the Federation of Accounting Professions shall summon a general meeting *de novo* within thirty days, and at this subsequent general meeting, the presence of only members attending the meeting shall constitute a quorum.

Section 21. At a general meeting, the President of the Federation of Accounting Professions shall preside over the meeting. In the case where the President of the Federation of Accounting Professions is not present or is unable or fails to perform the duty, the first or second Vice President of the Federation of Accounting Professions shall preside over the meeting respectively. If the President of the Federation of Accounting Professions and Vice Presidents of the Federation of Accounting Professions are not present or are unable or fail to perform the duty, ordinary members present at the meeting shall elect one amongst themselves to preside over the meeting.

CHAPTER III

EXECUTIVE BOARD OF THE FEDERATION OF ACCOUNTING PROFESSIONS

Section 22. There shall be an Executive Board of the Federation of Accounting Professions, consisting of:

(1) President of the Federation of Accounting Professions elected amongst ordinary members at a general meeting;

(2) *ex officio* members, viz, Chairperson of every accounting professions committee for each field, Chairperson of the Accounting Standards Committee and Chairperson of the Professional Ethics Committee;

(3) qualified members appointed, by a resolution of the President of the Federation of Accounting Professions and *ex officio* members under (2), from qualified persons, two of whom from the accounting discipline and one of whom from the legal discipline; and

(4) not more than five members elected at a general meeting amongst ordinary members.

The Secretary-General of the Federation of Accounting Professions shall be a member and secretary and there may be assistant secretaries as necessary and as resolved by the Executive Board of the Federation of Accounting Professions.

The qualifications and prohibitions of the President of the Federation of Accounting Professions and members of the Executive Board under (3) and (4) and the rules and procedures for the election of the President of the Federation of Accounting Professions and members of the Executive Board under (4) shall be in accordance with the Regulation of the Federation of Accounting Professions.

Section 23. The President of the Federation of Accounting Professions and members of the Executive Board under section 22 (3) and (4) shall hold office for a term of three years.

In the case where the President of the Federation of Accounting Professions or any member of the Executive Board under section 22 (3) and (4) vacates office before the expiration of the term or in the case where any member of the Executive Board under section 22 (4) is additionally elected at a general meeting during the term of office of members of the Executive Board already elected, the person elected or appointed as a replacing or additional member of the Executive Board shall hold office for the remaining term of the members of the Executive Board already elected or appointed.

At the expiration of the term under paragraph one, if the election of the new President of the Federation of Accounting Professions, the appointment of new members of the Executive Board under section 22 (3) or the election of new members of the Executive Board under section 22 (4) has not yet taken place, the

outgoing President of the Federation of Accounting Professions or outgoing members of the Executive Board shall remain in office for the furtherance of the affairs until the President of the Federation of Accounting Professions or the newly elected or appointed members of the Executive Board takes or take office.

The President of the Federation of Accounting Professions or members of the Executive Board vacating office at the expiration of the term may be re-elected or re-appointed but the President of the Federation of Accounting Professions may not hold office for more than two consecutive terms.

Section 24. In addition to vacating office at the expiration of the term, the President of the Federation of Accounting Professions and any member of the Executive Board under section 22 (3) and (4) vacates office upon:

- (1) death;
- (2) resignation;
- (3) termination of membership of the Federation of Accounting Professions;
- (4) being disqualified or being under any of the prohibitions in accordance with the Regulation of the Federation of Accounting Professions; or
- (5) being removed from office by the order of the Minister under section 63.

Section 25. The President of the Federation of Accounting Professions shall select members of the Executive Board for appointment to the office of Vice President in such number as determined by the Executive Board of the Federation of Accounting Professions, the offices of Secretary-General, Treasurer and Registrar, one member for each of the said offices, and such other offices determined by the Executive Board of the Federation of Accounting Professions as are necessary.

The performance of duties, powers and duties and vacation of office of persons holding the offices under paragraph one shall be in accordance with the Regulation of the Federation of Accounting Professions.

Section 26. At a meeting of the Executive Board of the Federation of Accounting Professions, the presence of not less than one half of the total number of members of the Executive Board is required to constitute a quorum.

A decision of a meeting shall be by a majority of votes. In casting votes, each member of the Executive Board shall have one vote. In the case of an equality of votes, the person presiding over the meeting shall have an additional vote as a casting vote.

Section 27. The Executive Board of the Federation of Accounting Professions may appoint a sub-committee for considering or performing such particular acts as entrusted.

The provisions of section 26 shall apply to a meeting of a sub-committee *mutatis mutandis*.

Section 28. The Executive Board of the Federation of Accounting Professions shall have the following powers and duties:

(1) to administer affairs of the Federation of Accounting Professions in accordance with its objects;

(2) to undertake affairs falling within the scope of the powers and duties of the Federation of Accounting Professions under this Act;

(3) to propose draft Regulations of the Federation of Accounting Professions on matters prescribed under this Act to a general meeting of the Federation of Accounting Professions;

(4) to cause general meetings to be held; and

(5) to issue Rules in the execution of this Act.

Section 29. Not less than one hundred ordinary members may subscribe their names for the purpose of proposing draft Regulations under section 28 (3) to the Federation of Accounting Professions.

The Executive Board of the Federation of Accounting Professions shall cause to be held a general meeting for considering draft Regulations of the Federation of Accounting Professions under paragraph one without delay.

Section 30. Procedures for proposing and considering draft Regulations shall be in accordance with the Regulation of the Federation of Accounting Professions.

Draft Regulations of the Federation of Accounting Professions concerning membership fees or other fees or draft Regulations under section 22 paragraph three, section 43 paragraph one and section 44 paragraph two must first be approved by the Accounting Professions Regulatory Commission.

Draft Regulations of the Federation of Accounting Professions as approved by the Federation of Accounting Professions or by the Accounting Professions Regulatory Commission under paragraph two, as the case may be, shall come into force upon their signature by the President of the Federation of Accounting Professions and their publication in the Government Gazette.

Section 31. In affairs vis-à-vis third persons, the President of the Federation of Accounting Professions shall have the power to act on behalf of the Federation of Accounting Professions. For this purpose, the President of the

Federation of Accounting Professions may, in writing, entrust other members of the Executive Board to act for the President specifically in any particular matter.

Section 32. For the purpose of developing and promoting the practice in varying fields of accounting professions, there shall be an accounting professions committee for each field, consisting of Chairperson and other committee members in such number as determined by the Executive Board of the Federation of Accounting Professions.

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.

The qualifications and prohibitions of Chairpersons or members of accounting professions committees under paragraph one, the appointment or election, the holding of office, the vacation of office, powers and duties and other performance of Chairpersons or members of accounting professions committees shall be in accordance with the Regulation of the Federation of Accounting Professions.

CHAPTER IV **ACCOUNTING STANDARDS COMMITTEE**

Section 33. There shall be an Accounting Standards Committee, consisting of not less than seven but not more than eleven qualified persons appointed by the Executive Board of the Federation of Accounting Professions 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.

Members of the Committee under paragraph one shall elect one amongst themselves as Chairperson and elect another member of the Committee as secretary.

The qualifications, prohibitions, selection and vacation of office of qualified members shall be in accordance with the Regulation of the Federation of Accounting Professions.

Section 34. 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.

When notified by bookkeepers, persons charged with the accounting duty, users of financial data, the Department of Insurance, the Department of Business Development, the Revenue Department, the Bank of Thailand, Office of the Auditor-General, Office of the Securities and Exchange Commission or any other agency that problems arise in connection with the compliance with accounting standards which have been formulated in a manner possibly causing detrimental effects or that compliance with such standards endangers national economy or causes impediment to the operation of business, the Accounting Standards Committee must forthwith investigate the problems and hear opinions of those concerned as well as formulate, revise or develop the accounting standards.

Section 35. The Accounting Standards Committee may appoint a sub-committee for considering or performing such particular acts as entrusted.

Section 36. The provisions of section 26 shall apply to a meeting of the Accounting Standards Committee and of a sub-committee appointed by the Accounting Standards Committee *mutatis mutandis*.

CHAPTER V

AUDITING PRACTICE CONTROL

Section 37. In the case where the law requires an audit or requires that any document be signed by an auditor for the purpose of certification or be accompanied by an opinion of an auditor, 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.

Section 38. A person may be a certified auditor upon being granted a licence by the Federation of Accounting Professions.

The application for a licence, application approval and issuance of a licence for operating as a certified auditor shall be in accordance with forms and rules prescribed in the Regulation of the Federation of Accounting Professions.

When a licence has been granted and as long as such licence is not suspended or revoked, a certified auditor shall be exempted from seeking the permission by the Director-General of the Revenue Department for the purpose of examining and certifying accounts under the Revenue Code.

Section 39. An applicant for a licence to operate as a certified auditor must possess the qualifications and must not be under any of the prohibitions as follows:

(1) being an ordinary member or an extraordinary member under section 14 paragraph two and, in the case of an extraordinary member who is a foreigner, having such sufficient knowledge of the Thai language as to be able to conduct the auditing and prepare a report in Thai as well as having a domicile in Thailand, provided that upon being granted a licence such person must also be granted a licence under the law on foreign business before operating as a certified auditor;

(2) having passed a test or completed training or internship or having worked in connection with the accounting professions as prescribed in the Regulation of the Federation of Accounting Professions;

(3) not having been sentenced to imprisonment by a final judgment on account of the commission of the offences under section 269 or section 323 or the offences against Property, except the offence of mischief and the offence of trespass, under the Penal Code, offences under the law on accounting, the law on auditors or the law prescribing offences related to registered partnerships, limited partnerships, limited companies, associations and foundations only insofar as they are concerned with incorrect certification of financial statements or other accounts or the preparation of false reports or offences under Chapter V and VI of this Act, unless the period of not less than five years has elapsed since the sentence or the release from the penalty;

(4) not being a bankrupt; and

(5) possessing other qualifications and not being under other prohibitions as prescribed in the Regulation of the Federation of Accounting Professions.

Section 40. A certified auditor whose licence has been revoked may re-apply for a licence after the lapse of five years as from the date of the revocation of the licence. But, when the Executive Board of the Federation of Accounting Professions has considered the application and refused to grant a licence, such person may submit an application for a licence again at the expiration of one year as from the date on which the Executive Board of the Federation of Accounting Professions has refused to grant the licence. If the Executive Board of the Federation of Accounting Professions refuses to grant a licence on this second occasion, such person loses the right to re-apply for a licence.

Section 41. A licence to operate as a certified auditor has no expiry date, provided that the licence grantee must pay the licence fee as prescribed by the Federation of Accounting Professions.

A licence to operate as a certified auditor terminates upon any of the following events pertinent to the licence grantee:

- (1) death;
- (2) termination of membership of the Federation of Accounting Professions;
- (3) being disqualified or being under any prohibitions under section 39;
- (4) revocation of the licence on the ground of a breach of professional ethics;
- (5) failure to pay the licence fee without being granted any deferment as determined by the Federation of Accounting Professions; or
- (6) failure to attend and accomplish such training programme as prescribed by the Federation of Accounting Professions under section 43 without the licence being suspended by an order of the Federation of Accounting Professions.

Section 42. When the Federation of Accounting Professions receives an application for a licence and considers that the applicant possesses the qualifications and is not under any of the prohibitions under section 39, the Federation of Accounting Professions shall issue the applicant with a licence expeditiously but no later than ninety days as from the date of receipt of the application.

In the case where the Federation of Accounting Professions refuses to grant a licence to the applicant, the Federation of Accounting Professions must clearly indicate reasons for such refusal. In such case, the applicant has the right to appeal to the Accounting Professions Regulatory Commission against the refusal to grant a licence in accordance with the rules and procedures prescribed by the Accounting Professions Regulatory Commission.

Section 43. A certified auditor has the duty to attend training or seminars in accordance with the rules and procedures prescribed in the Regulation of the Federation of Accounting Professions.

In the case where any certified auditor fails to comply with paragraph one, the Federation of Accounting Professions may issue an order suspending the licence of such person until the compliance therewith.

CHAPTER VI

BOOKKEEPING PRACTICE CONTROL

Section 44. A person shall not practise as a bookkeeper unless upon becoming a member of the Federation of Accounting Professions or upon registration with the Federation of Accounting Professions.

The rules, procedures and conditions for the registration under paragraph one shall be in accordance with the Regulation of the Federation of Accounting Professions.

Section 45. A bookkeeper eligible for the registration with the Federation of Accounting Professions must possess the qualifications and must not be under any of the prohibitions as follows:

- (1) having a domicile or a place of residence in the Kingdom;
- (2) having such sufficient knowledge of the Thai language as to be able to conduct the bookkeeping in Thai;
- (3) not having been sentenced to imprisonment by a final judgment on account of the commission of the specific offences or the offences under laws specified in section 39 (3), unless the period of not less than three years has elapsed since the sentence or the release from the penalty;
- (4) possessing the educational qualifications prescribed by the Regulation of the Federation of Accounting Professions; and
- (5) not being under any other prohibitions prescribed in the Regulation of the Federation of Accounting Professions.

CHAPTER VII

PROFESSIONAL ETHICS OF ACCOUNTING PRACTITIONERS

Section 46. Accounting practitioners or persons registered with the Federation of Accounting Professions are bound to observe professional ethics of accounting practitioners and must perform their duties in accordance with the accounting standards, auditing standards or other relevant standards prescribed under this Act.

Any person under paragraph one who fails to observe the professional ethics or standards prescribed under this Act shall be said to be in breach of professional ethics.

Section 47. The Federation of Accounting Professions shall prepare professional ethics of accounting practitioners in Thai, which must at least consist of requirements on 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.

Section 48. Any provision in an audit service agreement which has the effect of limiting or disclaiming accountability of a certified auditor shall be void.

Any certified auditor shall not report an audit result with any disclaimer of accountability for the audit result or with any indication of opacity in the audit result on account of his failure to complete such duties as expected to be performed by a certified auditor or to complete such duties as required by the auditing standards.

The conduct under paragraph two shall be deemed a breach of professional ethics.

Section 49. The penalties for a breach of professional ethics are as follows:

- (1) a written warning;
- (2) a probation;
- (3) a suspension of the licence, 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 licence, a revocation of the registration or an order terminating membership of the Federation of Accounting Professions.

Section 50. There shall be a Professional Ethics Committee consisting of not less than nine but not more than fifteen committee members appointed, by the Executive Board of the Federation of Accounting Professions with the approval of the general meeting of the Federation of Accounting Professions, from persons equipped with apparent fair-mindedness and integrity and possessing the qualifications and not being under any of the prohibitions as follows:

- (1) being ordinary members;
- (2) having practised in an accounting profession for a period of not less than that prescribed in the Regulation of the Federation of Accounting Professions;
- (3) not having been inflicted with any penalty on the ground of a breach of professional ethics of accounting practitioners; and
- (4) not holding the office of President of the Federation of Accounting Professions or not being members of any committee, commission or any other sub-committee under this Act.

In the case where it is expedient to achieve uniformity of decisions on a breach of professional ethics as rendered by Government agencies, any other State agencies and the Professional Ethics Committee, the Professional Ethics Committee may, with the approval of the general meeting of the Federation of Accounting Professions, request Government agencies or other State agencies required by law to monitor professional ethics of accounting practitioners to appoint their

representatives as members of the Professional Ethics Committee under paragraph one. In this case, the provisions of paragraph one (1) and (2) shall not apply.

The Professional Ethics Committee members shall elect one amongst themselves as Chairperson and there may be other office holders as determined by the Professional Ethics Committee.

Section 51. A member of the Professional Ethics Committee shall hold office for a term of three years and may be re-appointed but may not hold office for more than two consecutive terms.

The outgoing member of the Professional Ethics Committee shall remain in office *pro tempore* until the new member takes office.

Section 52. In addition to vacating office at the expiration of the term, a member of the Professional Ethics Committee vacates office upon:

- (1) death;
- (2) resignation;
- (3) being disqualified or being under any of the prohibitions under section 50; or
- (4) being removed from office by a resolution of a general meeting of the Federation of Accounting Professions with the votes of not less than two-thirds of the number of ordinary members present at the meeting, provided that there must be not less than two hundred supporting votes.

In the case where the office becomes vacant before the expiration of the term, the Federation of Accounting Professions shall appoint a member of the Professional Ethics Committee to fill the vacancy *pro tempore* and such appointed member may perform duties until the next general meeting.

Section 53. When it is alleged by any person or it is apparent to the Professional Ethics Committee that any accounting practitioner or any person registered with the Federation of Accounting Professions is in breach of professional ethics, the Professional Ethics Committee shall expeditiously conduct an investigation.

The right to make an allegation under paragraph one shall lapse after one year as from the date on which the aggrieved person or the person making the allegation knew of the breach of professional ethics and of the person in breach thereof, provided that the period of three years must not be exceeded as from the date of such breach of professional ethics.

The submission of an allegation, the investigation and the consideration of professional ethics cases shall be in accordance with the Regulation of the Federation of Accounting Professions.

In conducting an investigation by the Professional Ethics Committee, the Professional Ethics Committee may, for performing activities on its behalf, appoint any sub-committee consisting of at least one member of the Professional Ethics Committee and other members of the sub-committee appointed by the Professional Ethics Committee from persons possessing the qualifications and not being under any of the prohibitions under section 50 (1), (3) and (4) in such number as deemed appropriate.

The Professional Ethics Committee and a sub-committee have the power to instruct persons concerned to appear and give statements or explanations of facts or prepare written explanations or furnish accounts, registers, documents or any evidence for examination or consideration for the purpose of the investigation.

Upon completion of the investigation by the sub-committee, the matter and an opinion thereon shall be referred to the Professional Ethics Committee for consideration.

A withdrawal of the allegation already lodged or notified has no effect of discontinuing the pursuit of action under this Act.

Section 54. When the Professional Ethics Committee has considered the investigation result and resolves that any person has been in breach of professional ethics, it shall give an order inflicting upon such person the penalty under section 49.

In the case where the Professional Ethics Committee resolves that the person against whom the allegation has been made has not been in breach of professional ethics, it shall give an order dismissing the allegation.

In giving an order inflicting the penalty under paragraph one or an order dismissing the allegation under paragraph two, the person making the allegation and the person against whom the allegation has been made shall expeditiously be notified of the order in writing.

Section 55. The person making the allegation or the person inflicted with the penalty by an order of the Professional Ethics Committee has the right to appeal against the order under section 54 to the Accounting Professions Regulatory Commission within thirty days as from the date of receipt of the order, in accordance with the rules and procedures prescribed by the Accounting Professions Regulatory Commission.

The decision of the Accounting Professions Regulatory Commission shall be final.

The appeal against an order has no effect of staying the execution of the order inflicting the penalty unless otherwise directed by the Accounting Professions Regulatory Commission.

Section 56. In the performance of duties under this Act, members of the Professional Ethics Committee and members of a sub-committee appointed by the Professional Ethics Committee shall be officials under the Penal Code.

Section 57. Any member of the Professional Ethics Committee or any member of a Professional Ethics sub-committee who is personally interested in any matter to which the consultation relates shall not take part in the consideration, consultation or vote with respect to such matter.

Section 58. The provisions of section 26 shall apply to a meeting of the Professional Ethics Committee and a Professional Ethics sub-committee *mutatis mutandis*.

CHAPTER VIII REGULATORY SUPERVISION

Section 59. There shall be an Accounting Professions Regulatory Commission, consisting of:

- (1) Permanent Secretary for the Ministry of Commerce, as Chairperson;
- (2) *ex officio* members, viz, 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 the Federation of Accounting Professions, 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
- (3) 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.

The Department of Business Development shall be in charge of clerical work and support the operation of work of the Accounting Professions Regulatory Commission as entrusted by the Accounting Professions Regulatory Commission.

A qualified member under (3) holds office for a term of three years and may be re-appointed but may not hold office for more than two consecutive terms.

Section 60. The Accounting Professions Regulatory Commission shall have the powers and duties as follows:

(1) to exercise supervision over the operation of affairs the Federation of Accounting Professions to ensure compliance with the law and in line with its objects;

(2) to make recommendations for the issuance of Royal Decrees under section 9;

(3) to give approval to the Regulation of the Federation of Accounting Professions under section 30 paragraph two and to the accounting standards under section 34 paragraph three;

(4) to consider appeals of applicants for a licence to operate as certified auditors under section 42 paragraph two;

(5) to consider an appeal of the person making the allegation or the person inflicted with the penalty by the order of the Professional Ethics Committee under section 55 paragraph one; and

(6) to appoint sub-committees for performing activities falling within the scope of powers and duties of the Accounting Professions Regulatory Commission.

Section 61. In the performance of its duties under section 60 (1), the Accounting Professions Regulatory Commission shall also have the powers as follows:

(1) to conduct a fact-finding in connection with the operation of affairs of the Federation of Accounting Professions;

(2) to give a written order instructing members, members of the Executive Board of the Federation of Accounting Professions, members of sub-committees of the Federation of Accounting Professions or any persons to give explanations in connection with the affairs of the Federation of Accounting Professions; and

(3) to give a written order instructing the Federation of Accounting Professions, the Executive Board, committees, or sub-committees under this Act to terminate, rectify or lay down measures for rectifying actions contrary to the law or the objects or Regulations of the Federation of Accounting Professions.

Section 62. The provisions of section 26 shall apply to a meeting of the Accounting Professions Regulatory Commission and a sub-committee appointed by the Accounting Professions Regulatory Commission *mutatis mutandis*.

Section 63. When it is apparent that the President of the Federation of Accounting Professions or any member of the Executive Board, a committee or a sub-committee under this Act fails to comply with an order of the Accounting Professions Regulatory Commission or acts in a manner prejudicial to the Federation of Accounting Professions, the Accounting Professions Regulatory Commission shall expeditiously conduct an investigation and submit the result to the Minister for the

purpose of giving an order removing the President of the Federation of Accounting Professions or such member of the Executive Board, a committee or a sub-committee from office.

The order of the Minister shall be final.

In the case where any *ex officio* member under section 22 (2) is removed from office by the order under paragraph one, such member shall also vacate office under section 22 (2).

Section 64. In the case where the order of the Minister given under section 63 results in the number of members of the Executive Board of the Federation of Accounting Professions being less than one half of the required number of its members, the Minister shall, on the same day as the date of the order removing members of the Executive Board from office, appoint ordinary members to replace the outgoing members of the Executive Board *pro tempore* up to the required number of the members of the Executive Board under section 22.

The election or appointment of new members of the Executive Board under section 22 shall be conducted and completed within ninety days as from the date of the Minister's order appointing the temporary members of the Executive Board except that where the remaining term has less than one hundred eighty days the Minister may order that no such election be held, and the persons elected or appointed as the replacing members of the Executive Board shall hold office for the remaining term of the replaced persons.

The temporary members of the Executive Board appointed by the Minister shall vacate office when new members of the Executive Board take office.

CHAPTER IX PENALTIES

Section 65. Any person who contravenes section 10 shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding sixty thousand Baht or to both.

Section 66. Any juristic person which contravenes or fails to comply with section 11 shall be liable to a fine not exceeding three hundred thousand Baht and to an additional fine at a daily rate not exceeding ten thousand Baht until due compliance with legal requirements

Section 67. Any person who contravenes section 39 shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding sixty thousand Baht or to both.

Section 68. Any certified auditor who, during the suspension of his licence under section 43, conducts the auditing shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding sixty thousand Baht or to both.

Section 69. Any person who contravenes section 44 shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding forty thousand Baht or to both.

Section 70. Any accounting practitioners or any person registered with the Federation of Accounting Professions who, during the penalty inflicted under section 49 (3) or (4) on the ground of a breach of professional ethics, operates as an accounting practitioner shall be liable to imprisonment for a term not exceeding three years or to a fine not exceeding sixty thousand Baht or to both.

Section 71. Any person who fails to comply with the order of the Professional Ethics Committee under section 53 paragraph five or the order of the Accounting Professions Regulatory Commission under section 61 (2) or (3) shall be liable to imprisonment for a term not exceeding one month or to a fine not exceeding one thousand Baht or to both.

Section 72. In the case where the offender liable to any penalty under this Act is a juristic person, then the director with the authority to enter a signature binding the juristic person, managing partner or representative of such juristic person or any person responsible for the operation of such juristic person shall also be liable to the penalty provided by law for such offence unless such person can prove that he was not involved in or did not give consent to the commission of the offence of such juristic person

TRANSITORY PROVISIONS

Section 73. Any certified auditor under the Auditors Act, B.E. 2505 (1962) prior to the date of the entry into force of this Act shall be a certified auditor under this Act until the licence expires or is revoked under this Act.

Section 74. At the initial stage, the Executive Board of the Institute of Certified Accountants and Auditors of Thailand shall serve as the Executive Board of the Federation of Accounting Professions until the Executive Board of the Federation of Accounting Professions under this Act takes office and the President of the Institute of Certified Accountants and Auditors of Thailand shall be deemed the President of the Federation of Accounting Professions until the President of the Federation of Accounting Professions is elected under this Act, provided that such election must not be later than one hundred eighty days as from the date of the entry into force of this Act.

Section 75. At the time when the Federation of Accounting Professions has less than five hundred members, the Accounting Professions Regulatory Commission shall serve as the Federation of Accounting Professions for the purposes of endorsing or approving Regulations of the Federation of Accounting Professions.

Section 76. All Ministerial Regulations, Regulations or Notifications issued under the Auditors Act, B.E. 2505 (1962) shall remain in force until Ministerial Regulations, Regulations or Notifications issued under this Act *in pari materia* are in force.

In the case where there arises a problem preventing compliance with Ministerial Regulations, Regulations or Notifications issued under the Auditors Act, B.E. 2505 (1962) in any matter, the Accounting Professions Regulatory Commission may prescribe procedures or waive the compliance with such matter whether specifically in a particular case or generally.

Section 77. At the initial stage where accounting standards have not yet been formulated under this Act, the Accounting Professions Regulatory Commission may prescribe to the effect that the accounting standards as formulated by the Institute of Certified Accountants and Auditors of Thailand and widely used prior to the date of the entry into force of this Act shall be accounting standards under this Act *pro tempore*.

Section 78. Any juristic person which provides auditing services or bookkeeping services prior to the date of the entry into force of this Act shall apply for the registration with the Federation of Accounting Professions within one year as from the date of the entry into force of this Act in accordance with the conditions as follows:

(1) such juristic person must fully provide securities under section 11 (1) within the time prescribed in the Ministerial Regulation, which must not be later than three years; and

(2) the requirement under section 11 (2) must be fully satisfied within three years as from the date of the entry into force of this Act.

Countersigned by:

Thaksin Shinawatra
Prime Minister

Note:- The reason for the promulgation of this Act is as follows. As the practice in accounting professions has now extended to cover several fields, whether bookkeeping, auditing, managerial accounting, accounting system design, tax accounting, accounting education and technology or services in other areas, which bear extensive association with activities in varying businesses, it is expedient to place accounting practitioners under supervision of the same professional body as a focal point for fostering solidarity, providing education and developing as well as promoting professional standards to ensure professional qualities, standards and prosperity of practitioners and exercising supervision over professional ethics. It is therefore necessary to enact this Act.