

(Translation)*

**ACCOUNTING ACT,
B.E. 2543 (2000)**

BHUMIBOL ADULYADEJ, REX;

Given on the 4th Day of May B.E. 2543;

Being the 55th Year of the Present Reign.

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

Whereas it is expedient to revise the law on accounting;

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 35, section 48 and 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 Act, B.E. 2543 (2000)”.

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

Section 3. The Notification of the National Executive Council No. 285, dated 24th November B.E. 2515 (1972) shall be repealed.

Section 4. In this Act,

“financial statement” means a report on the result of operation, financial position or a change in financial position of an enterprise, whether presented in the form of a balance-sheet, a profit and loss statement, a retained earnings statement, a statement of cash flows, a statement of changes in shareholders’ equity, a supplementary statement, notes to the financial statement or other explanatory notes indicated as forming an integral part of the financial statement;

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

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“accounting standard” means generally recognised accounting principles and accounting practices or accounting standards prescribed under the law on particular matters;

“person charged with the accounting duty” means a person charged with the duty to cause the accounting to be undertaken under this Act;

“accountant” means the person responsible for undertaking the accounting of the person charged with the accounting duty, whether it is undertaken in the capacity as an employee of the person charged with the accounting duty or not;

“Accounting Inspector-General” means the Director-General and shall also include the person entrusted by the Director-General;

“Accounting Inspector” means the person appointed by the Director-General as the Accounting Inspector to be stationed at a Local Accounting Office;

“Director” means Director-General of the Department of Commercial Registration;

“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 GENERAL PROVISIONS

Section 6. The Department of Commercial Registration shall be the Central Accounting Office.

The Director-General shall have the power to establish Local Accounting Offices directly reporting to the Central Accounting Office, with one Accounting Inspector as Head of each Local Accounting Office.

The establishment of Local Accounting Offices shall be published in the Government Gazette.

Section 7. The Director-General has the power to issue Notifications, to be published in the Government Gazette, prescribing the following matters:

- (1) types of accounts required to be prepared;
- (2) statements and particulars required to be included in accounts;
- (3) the period of time for making entries in accounts;

(4) supporting documents used for making entries in accounts;

(5) exemption, granted to the person charged with the accounting duty or to the accountant, from compliance with accounting standards in respect of any matter or any part thereof; and

(6) qualifications of, and conditions for, being the accountant under this Act.

In issuing Notifications prescribing the matters under paragraph one, the Director-General shall have regard to accounting standards and opinions of agencies concerned as well as accounting professions institutes.

The matters prescribed under (5) and (6) must also be approved by the Minister.

The matters prescribed under (1), (2), (3) and (4) shall be deemed to have been duly complied with under this Act if such matters are otherwise governed by any specific law and the person charged with the accounting duty has duly complied with such specific law.

CHAPTER II

PERSON CHARGED WITH THE ACCOUNTING DUTY

Section 8. A registered partnership, limited company and public limited company established under Thai law, a juristic person established under foreign law but operating business in Thailand or a joint venture under the Revenue Code shall be the person charged with the accounting duty and must cause the accounting to be undertaken for the operation of its business, with such details and in accordance with such rules and procedures as provided in this Act.

In the case where the person charged with the accounting duty regularly operates its business at several separate places, the person responsible for the management of business of such place shall be the person charged with the accounting duty.

In the case where the person charged with the accounting duty is a joint venture under the Revenue Code, the person responsible for the operation of such joint venture shall be the person charged with the accounting duty.

The Minister, with the approval of the Council of Ministers, has the power to issue Notifications, published in the Government Gazette, prescribing that any natural person or unregistered partnership operating any particular business in Thailand under any particular conditions shall be the person charged with the accounting duty under this Act.

The Notification of the Minister under paragraph four shall be published in the Government Gazette not less than six months in advance prior to the date of its entry into force.

In the case where the Notification of the Minister under paragraph four has been issued, the Director-General shall prescribe rules and procedures concerning the date of first commencement of accounting and prescribe procedures for the accounting of such natural person or unregistered partnership.

Section 9. The person charged with the accounting duty must cause the accounting to be undertaken as from the date of commencement of accounting as follows:

(1) in the case of a registered partnership, limited company or public limited company, the commencement of accounting shall be as from the date on which such registered partnership, limited company or public limited company has been registered as a juristic person under the law;

(2) in the case of a juristic person established under foreign law but operating business in Thailand, the commencement of accounting shall be as from the date on which such juristic person established under foreign law has commenced its operation of business in Thailand;

(3) in the case of a joint venture under the Revenue Code, the commencement of accounting shall be as from the date on which such joint venture has commenced its operation; and

(4) in the case of the place regularly operating business under section 8 paragraph two, the commencement of accounting shall be as from the date on which such place regularly operating business has commenced its operation.

Section 10. The person charged with the accounting duty must cause its first closure of accounts to take place within twelve months as from the date of commencement of accounting specified under section 8 paragraph six or the date of commencement of accounting specified under section 9, as the case may be, and must cause its accounts to be closed every twelve months as from the date of preceding closure of accounts, except that:

(1) upon permission being granted by the Accounting Inspector-General or by the Accounting Inspector for a change of the accounting period, a closure of accounts may take place before the expiration of the twelve-month period; and

(2) in the case of the accounting duty under section 8 paragraph two, accounts shall be closed on the same date as the closure of accounts of the principal office.

Section 11. The person charged with the accounting duty which is a registered partnership established under Thai law, a juristic person established under foreign law or a joint venture under the Revenue Code must prepare a financial statement and submit such financial statement to the Central Accounting Office or the Local Accounting Office within five months as from the date of closure of accounts under section 10. In the case of a limited company or a public limited company established under Thai law, submission shall be made within one month as from the

date on which such financial statement has been approved at the general meeting, except that where there arises an inevitable cause preventing the person charged with the accounting duty from performing the required action within the said period of time, the Director-General may order an extension or postponement of time as is necessary for the particular case.

The submission of a financial statement shall be in accordance with the rules and procedures prescribed by the Director-General.

A financial statement must contain such brief particulars as prescribed, in the Notification, by the Director-General with the approval of the Minister, except that in the case where any specific law provides brief particulars in addition to those prescribed by the Director-General for a financial statement, such brief particulars as provided in that specific law shall prevail.

A financial statement must be audited and accompanied by an opinion of a certified auditor, except that it is a financial statement of the person charged with the accounting duty which is a registered partnership established under Thai law and having the capital, assets or revenues, whether any or all of such items, in the amount not in excess of that prescribed in the Ministerial Regulation.

Section 12. In the accounting, the person charged with the accounting duty must properly and fully furnish the accountant with supporting documents used for making entries in accounts in order for the prepared accounts to reflect the current operation, financial position or change in financial position in accordance with reality and accounting standards.

Section 13. The person charged with the accounting duty must retain accounts and supporting documents used for making entries in accounts at its place of business, place used as its regular production or storage of goods or place used as its regular office unless the person charged with the accounting duty has obtained permission from the Accounting Inspector-General or the Accounting Inspector for retention of accounts and supporting documents used for making entries in accounts at any other place.

Application for permission and granting permission under paragraph one shall be in accordance with the rules and procedures prescribed by the Director-General and, pending the permission, the person charged with the accounting duty may, for the time being, retain accounts and supporting documents used for making entries in accounts at the place to which the application relates.

In the case where accounts are prepared by means of a computer or any other device at any other place within the Kingdom other than the place under paragraph one in a manner linking such computer network or device to the place under paragraph one, it shall be deemed to be the retention of accounts at the place under paragraph one.

Section 14. The person charged with the accounting duty must retain accounts and supporting documents used for making entries in accounts for a period of not less than five years as from the date of the account closure or until the accounts and documents are furnished under section 17.

For the purpose of auditing accounts of any type of undertaking, the Director-General, with the approval of the Minister, shall have the power to require the person charged with the accounting duty to retain accounts and supporting documents used for making entries in accounts for a period longer than five years but not exceeding seven years.

Section 15. If any account or supporting document used for making entries in accounts is lost or damaged, the person charged with the accounting duty shall, within fifteen days as from the date on which such loss or damage becomes known or should have become known to it, notify the loss of or damage to the Accounting Inspector-General or the Accounting Inspector in accordance with the rules and procedures prescribed by the Director-General.

Section 16. In the case where the Accounting Inspector-General or the Accounting Inspector discovers that accounts and supporting documents used for making entries in accounts, which are essential for the accounting, are lost or destroyed or where it is apparent that such accounts and documents have not been retained at a safe place, it shall be presumed that the person charged with the accounting duty has the intent to cause such accounts or documents to be damaged, destroyed, concealed, lost or rendered useless, unless the person charged with the accounting duty proves that it has exercised such reasonable care in the particular case for preventing the loss or damage of the accounts or supporting documents used for making entries in accounts.

Section 17. When the person charged with the accounting duty ceases to operate business for any reason whatsoever without undertaking the liquidation, accounts and supporting documents used for making entries in accounts shall be furnished to the Accounting Inspector-General or the Accounting Inspector within ninety days as from the date of cessation of the business and the Accounting Inspector-General or the Accounting Inspector shall retain such accounts and supporting documents used for making entries in accounts for not less than five years.

Upon a request by the person charged with the accounting duty, the Accounting Inspector-General or the Accounting Inspector shall have the power to grant an extension of the time for furnishing accounts and documents under paragraph one, provided that after such extension the period of time must not be in excess of one hundred eighty days as from the date of cessation of the business.

In the case where the person charged with the accounting duty has furnished accounts and supporting documents used for making entries in accounts in an incomplete or incorrect manner, the Accounting Inspector-General or the

Accounting Inspector has the power to instruct the person charged with the accounting duty to furnish the accounts and supporting documents used for making entries in accounts in a complete and correct manner within the time specified.

Section 18. The financial statement, accounts and documents received and retained by the Accounting Inspector-General or the Accounting Inspector under section 11 or section 17 are subject to a request by any interested person or general members of the public for an inspection or a photocopy upon payment of such fees as prescribed by the Director-General.

CHAPTER III ACCOUNTANTS

Section 19. The person charged with the accounting duty must provide an accountant possessing such qualifications as prescribed by the Director-General under section 7 (6) for the purpose of accounting under this Act and has the power to supervise the accountant to ensure that accounts are to be prepared in a manner reflecting reality and consistent with this Act.

The person charged with the accounting duty who is a natural person may be an accountant for his own undertaking.

Section 20. The accountant must prepare accounts for reflecting the current operation results, financial position or change in financial position of the person charged with the accounting duty in accordance with reality and accounting standards, with proper and complete supporting documents used for making entries in accounts.

Section 21. In making entries in accounts, the accountant must perform in the following manners:

(1) entries must be made in Thai or, in the case of entries in a foreign language, in a manner having the corresponding Thai language attached thereto, or in the form of accounting codes accompanied by a code translation manual in Thai; and

(2) entries must be made in ink, typed, printed or made by any other method capable of producing a similar result.

CHAPTER IV INSPECTION

Section 22. The Accounting Inspector-General and the Accounting Inspector have the power to inspect accounts and supporting documents used for

making entries in accounts to ensure the execution of this Act. For this purpose, the Accounting Inspector-General and the Accounting Inspector shall have the power to enter the place of business or the place storing accounts and supporting documents used for making entries in accounts of the person charged with the accounting duty or of the accountant or the place where such person's information is compiled or processed, during office hours of such place.

In the case where there is a reasonable cause to believe that contravention of or non-compliance with provisions of this Act has occurred, the Accounting Inspector-General or the Accounting Inspector shall have the power to enter places under paragraph one for the purpose of seizing or attaching accounts and supporting documents used for making entries in accounts, from sunrise to sunset or during office hours of such places when there is a reasonable cause to believe that a delay incurred in obtaining a warrant of search will result in such accounts, supporting documents used for making entries in accounts or other documents or evidence connected with such offences being diverted, concealed, destroyed or transformed from their original condition.

Section 23. In the execution of this Act, the Accounting Inspector-General and the Accounting Inspector must show their identification card to persons concerned.

Identification cards shall be in accordance with the forms prescribed by the Director-General and published in the Government Gazette.

Section 24. In the performance of duties under this Act, the Accounting Inspector-General and the Accounting Inspector shall have the power to make written orders:

(1) instructing the person charged with the accounting duty, the accountant or any person concerned to appear and give statements in connection with the accounting or the retention of accounts and supporting documents used for making entries in accounts; and

(2) instructing the person charged with the accounting duty or the accountant to furnish accounts, supporting documents used for making entries in accounts or accounting codes for inspection.

The written orders under paragraph one shall be served by registered post requiring acknowledgement of receipt thereof or by delivery to a place of domicile, place of residence or place of business of the person charged with the accounting duty, the accountant or the person concerned. If no recipient at such person's place of domicile, place of residence or place of business is found, the written orders may be served on any person who is *sui juris* and staying or working at the residence or place of business apparently known to be that of such recipient.

In the case where the service cannot be made in accordance with the procedures under paragraph two or where the person charged with the accounting

duty, the accountant or the person concerned has left the Kingdom, the written notice shall be posted at a conspicuous place at such person's address or place of business or at the household residence for which such person is registered under the law on civil registration, or a summary of such written notice may be published in a newspaper regularly distributed in that locality.

When action has been taken in accordance with the aforesaid procedures, the written notice shall be deemed duly received.

Section 25. No person shall disclose any statement known or acquired in consequence of the performance of duties under section 22 or section 24 unless upon legal authority to do so.

Section 26. In the performance of duties, the Accounting Inspector-General and Accounting Inspectors shall be officials under the Penal Code.

CHAPTER V PENALTIES

Section 27. Any person who contravenes or fails to comply with Notifications of the Director-General issued under section 7 (1), (2), (3), (4) or (6) shall be liable to a fine not exceeding ten thousand Baht. In the case of the contravention of or failure to comply with Notifications of the Director-General issued under section 7 (1), (2), (3) or (4), the offender shall be liable to an additional fine at a daily rate not exceeding five hundred Baht until due compliance with legal requirements.

Section 28. Any person charged with the accounting duty who fails to cause the accounting to be undertaken under section 8 or section 9 shall be liable to a fine not exceeding thirty thousand Baht and to an additional fine at a daily rate not exceeding one thousand Baht until due compliance with legal requirements.

Section 29. Any person charged with the accounting duty who fails to comply with section 10, section 12 or section 19 paragraph one shall be liable to a fine not exceeding ten thousand Baht.

Section 30. Any person charged with the accounting duty who fails to comply with section 11 paragraph one shall be liable to a fine not exceeding fifty thousand Baht.

Section 31. Any person charged with the accounting duty who fails to comply with section 11 paragraph three, section 13, section 14, section 15 or section 17 shall be liable to a fine not exceeding five thousand Baht.

Section 32. Any person charged with the accounting duty who fails to comply with section 11 paragraph four shall be liable to a fine not exceeding twenty thousand Baht.

Section 33. Any person charged with the accounting duty who makes a false notification under section 15 to the Accounting Inspector-General or the Accounting Inspector that any account or supporting document used for making entries in accounts has been lost or damaged shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding ten thousand Baht or to both.

Section 34. Any person who fails to comply with section 20 shall be liable to a fine not exceeding ten thousand Baht.

Section 35. Any person who fails to comply with section 21 shall be liable to a fine not exceeding five thousand Baht.

Section 36. Any person who obstructs the performance of duty of the Accounting Inspector-General or the Accounting Inspector in the course of official performance under section 22 shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding twenty thousand Baht or to both.

Any person who fails to provide convenience to the Accounting Inspector-General or the Accounting Inspector in the course of performance of the duty under section 22 or contravenes any order of the Accounting Inspector-General or the Accounting Inspector given under section 24 shall be liable to imprisonment for a term not exceeding one month or to a fine not exceeding two thousand Baht or to both.

Section 37. Any person who contravenes section 25 shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding ten thousand Baht or to both.

In the case where the offender under paragraph one is the Accounting Inspector-General, the Accounting Inspector or an official, the offender shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding twenty thousand Baht or to both.

Section 38. Any person who damages, destroys, conceals, causes to be lost or renders useless accounts or supporting documents used for making entries in accounts shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding twenty thousand Baht or to both.

In the case where the offender under paragraph one is the person charged with the accounting duty, the offender 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 39. Any person who makes a false entry, makes modification or omits to make an entry in an account or a financial statement or modifies supporting documents used for making entries in accounts for the purpose of distorting the true state of affairs shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding forty thousand Baht or to both.

In the case where the offender under paragraph one is the person charged with the accounting duty, the offender 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 40. In the case where the offender liable to any penalty under this Act is a juristic person, then the managing director, 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

Section 41. All offences under section 27, section 28, section 29, section 30, section 31, section 32, section 34, section 35 and section 36 paragraph two may be settled, by way of payment of a fine, by the Director-General or a person entrusted by the Director-General and, upon payment by the offender of the settled amount of the fine, the case shall be deemed settled under the Criminal Procedure Code.

TRANSITORY PROVISIONS

Section 42. All Ministerial Regulations or Notifications issued under the Notification of the National Executive Council No. 285, dated 24th November B.E. 2515 (1972) which are in force prior to the date of the entry into force of this Act shall remain in force insofar as they are not contrary to or inconsistent with this Act until Ministerial Regulations or Notifications issued under this Act are in force.

Any person who, prior to the date of the entry into force of this Act, has been an accountant of the person charged with the accounting duty for not less than five years without such qualifications required to be possessed by an accountant as prescribed by the Director-General under section 7 (6) shall, in case of an intention to continue the status as an accountant under this Act, make a notification to the Director-General in accordance with the rules, procedures and conditions prescribed by the Notification issued by the Director-General within sixty days as from the date of the entry into force of this Act, and, when such person undergoes and completes the training in accordance with such rules, procedures and length of time as prescribed by the Notification issued by the Director-General, such person shall continue a status as the accountant for eight years as from the date of the entry into force of this Act.

Section 43. At the time of the absence of accounting standards as required by law, the accounting standard set by the Institute of Certified Accountants and Auditors of Thailand as promulgated at the resolution of the Auditing Profession Regulatory Board shall be the accounting standard for the purpose of this Act.

Section 44. A joint venture under the Revenue Code which commenced its operation prior to the date of the entry into force of this Act is not required to comply with this Act until the commencement of its new accounting period subsequent to the date of the entry into force of this Act.

Section 45. The person charged with the accounting duty shall provide an accountant in proper satisfaction of the requirement under section 19 within one year as from the date of the entry into force of this Act.

The Director-General, with the approval of the Minister, may grant an extension of the period under paragraph one as is necessary for a particular case, provided that the extension must not be in excess of one year.

During the periods under paragraph one and paragraph two, the provisions of section 29 shall not apply to the person charged with the accounting duty who fails to provide the accountant under section 19 paragraph one.

Countersigned by:

Chuan Leekpai
Prime Minister

Note:- The reason for the promulgation of this Act is as follows. Whereas the Notification of the National Executive Council No. 285, dated 24th November B.E. 2515 (1972) which has been in force for a considerable length of time contains several accounting principles not compatible with the accounting and accounting advancements and not compatible with changes in economic and trade situations, it is expedient to revise the law on accounting with a view to achieving greater modernity. It is therefore necessary to enact this Act.