

Summary of the Accounting Act B.E. 2543 (2000)

This Act prescribes roles and responsibilities of the persons charged with the accounting duty (PCWAD) and accountants.

Persons Charged with the Accounting Duty (PCWAD)

PCWAD are as follows:

- o Registered partnership
- o Limited company and public limited company established under Thai law
- o Juristic person established under foreign law but operating business in Thailand
- o Joint venture under the Revenue Code

The above-mentioned PCWAD 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 PCWAD regularly operates its business at several separate places, the person responsible for the management of business of such place shall be PCWAD.

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

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 PCWAD under this Act.

Financial statements preparation and submission to the Department of Business Development (DBD)

PCWAD 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.

PCWAD which is 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 PCWAD 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 of the Department of Business Development.

Regulations on Financial Statements

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.

Relationship between the persons charged with accounting duty (PCWAD) and the accountants

In the accounting, PCWAD 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.

Retention of accounts

PCWAD 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.

PCWAD 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.

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 PCWAD to retain accounts and supporting documents used for making entries in accounts for a period longer than five years but not exceeding seven years.

Exposure to the public

The financial statement, accounts and documents received and retained by the Accounting Inspector-General or the Accounting Inspector 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.

Accountants

PCWAD must provide an accountant possessing such qualifications as prescribed by the Director-General 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.

PCWAD who is a natural person may be an accountant for his own undertaking.

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

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.

Inspections by the authorities

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 PCWAD or of the accountant or the place where such person's information is compiled or processed, during office hours of such place.

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