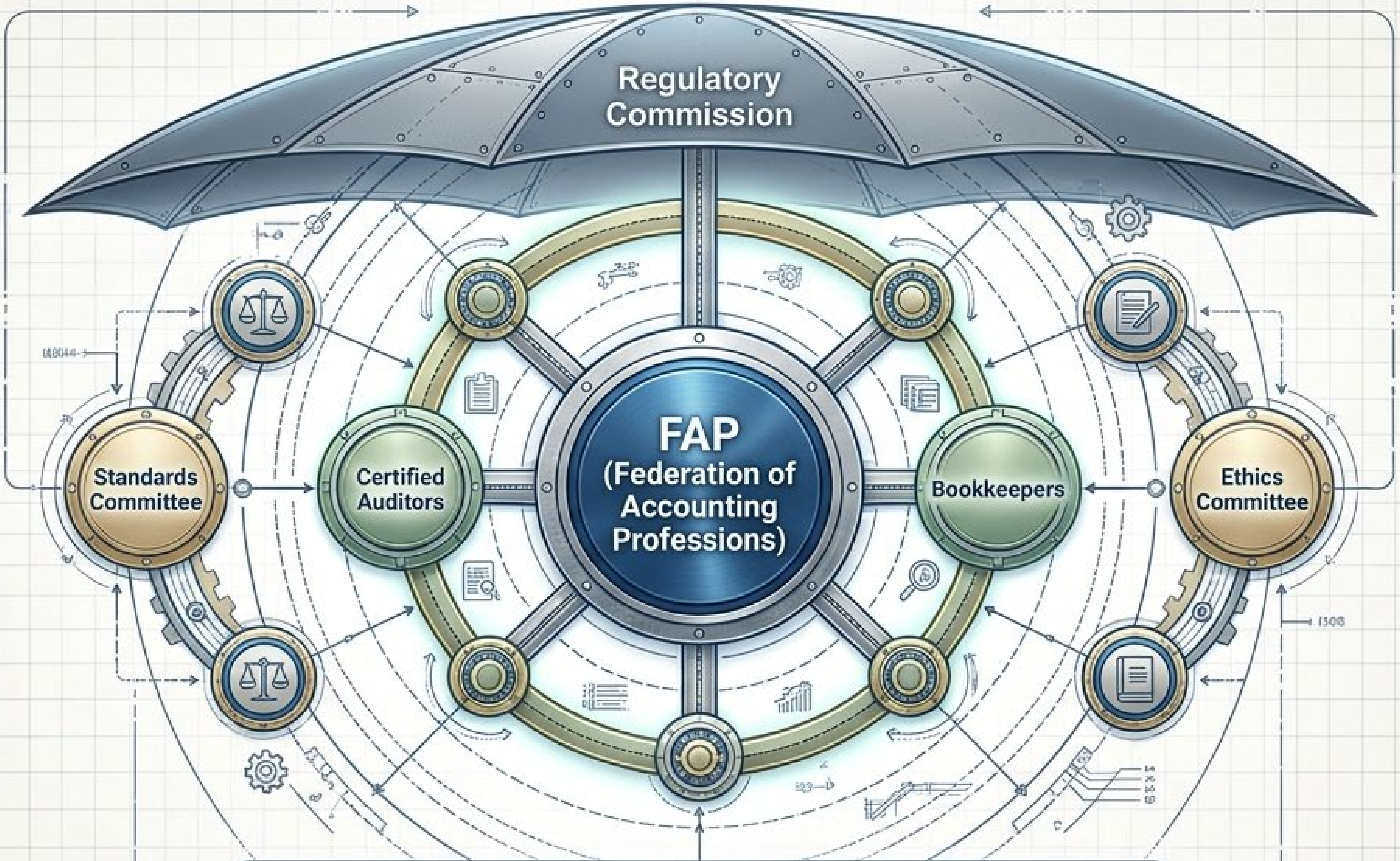
The Ecosystem of Accountability

A Structural Guide to Thailand's Accounting Professions Act, B.E. 2547 (2004)

Designed for corporate executives, accounting practitioners, and regulatory stakeholders.

NotebookLM

The Architecture of Professional Oversight



The Act transforms individual accounting disciplines into a unified, heavily regulated ecosystem balancing professional autonomy with ultimate State supervision.

Defining the Scope of Accounting Professions

Bookkeeping

Recording and maintaining financial transactions under the law on accounting.

Auditing

Examining and certifying financial statements.

Managerial Accounting

Financial analysis for internal corporate decision-making.

System Design

Structuring and implementing corporate financial reporting systems.

Tax Accounting

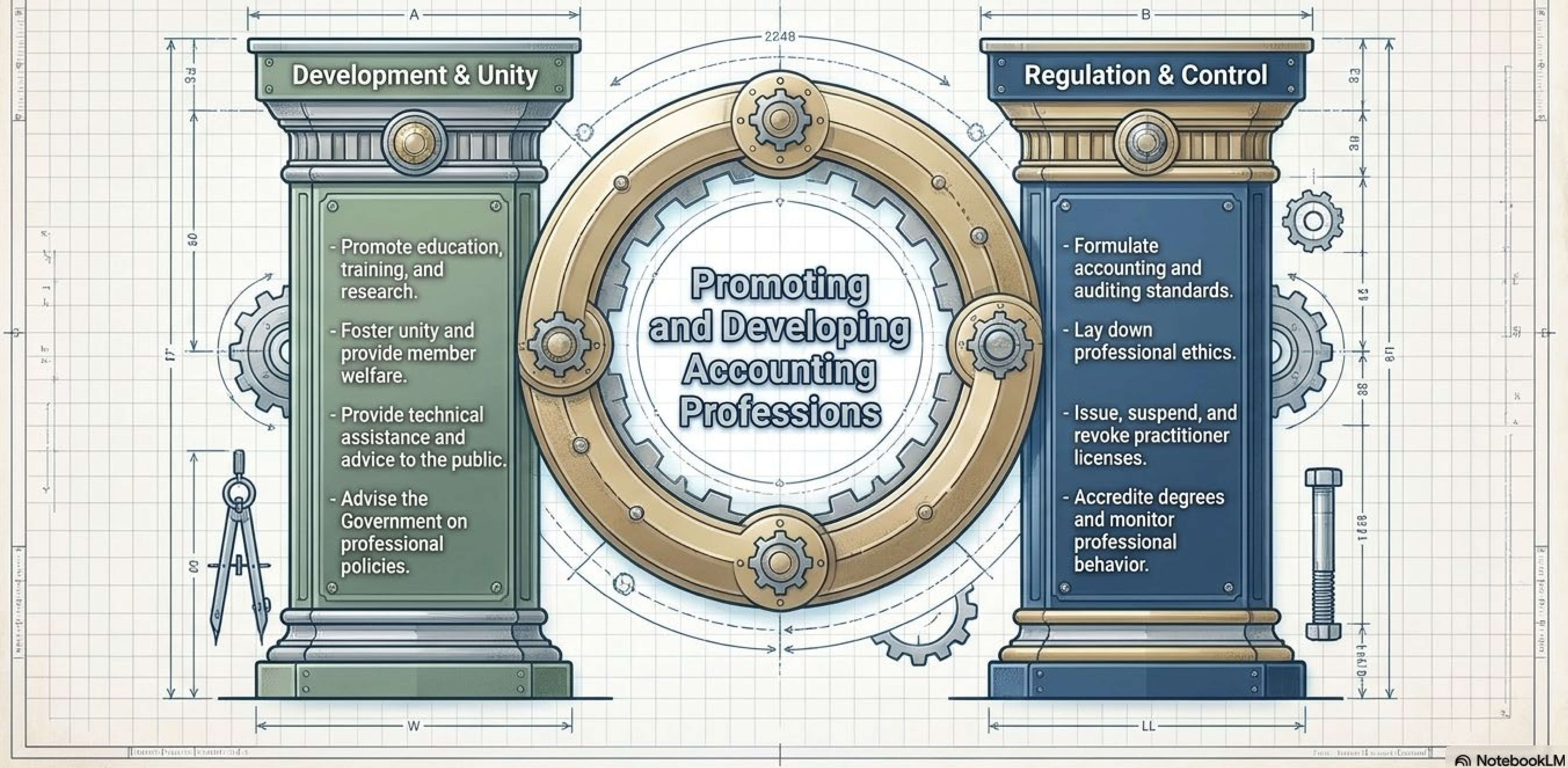
Advising on and preparing statutory tax obligations.

Education & Tech

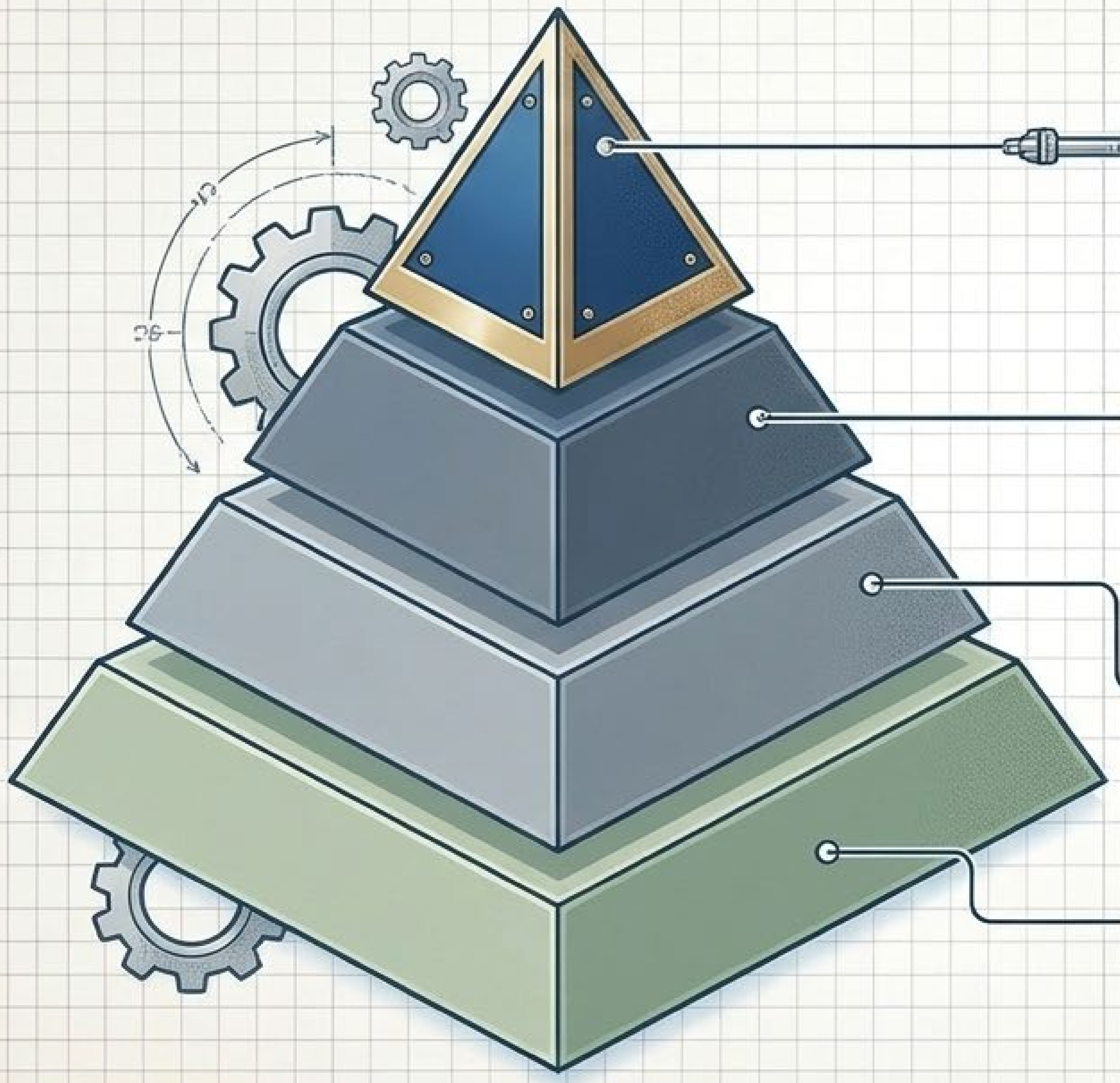
Advancing the academic and technological frontiers of the profession.

Regulated under Section 4 of the Accounting Professions Act, B.E. 2547.

The Central Hub: Federation of Accounting Professions (FAP)



The Ecosystem's Actors: Membership Hierarchy



Ordinary Members (The Core Constituency)

Rights: Full voting rights; eligible to elect/be elected to the Executive Board.
Qualifications: Minimum 20 years old, Thai nationality, Bachelor's degree in accountancy (or accredited equivalent).

Extraordinary Members

Profile: Thai nationals lacking full ordinary qualifications, or eligible foreigners from countries with reciprocal agreements.
Rights: Excludes voting and board eligibility.

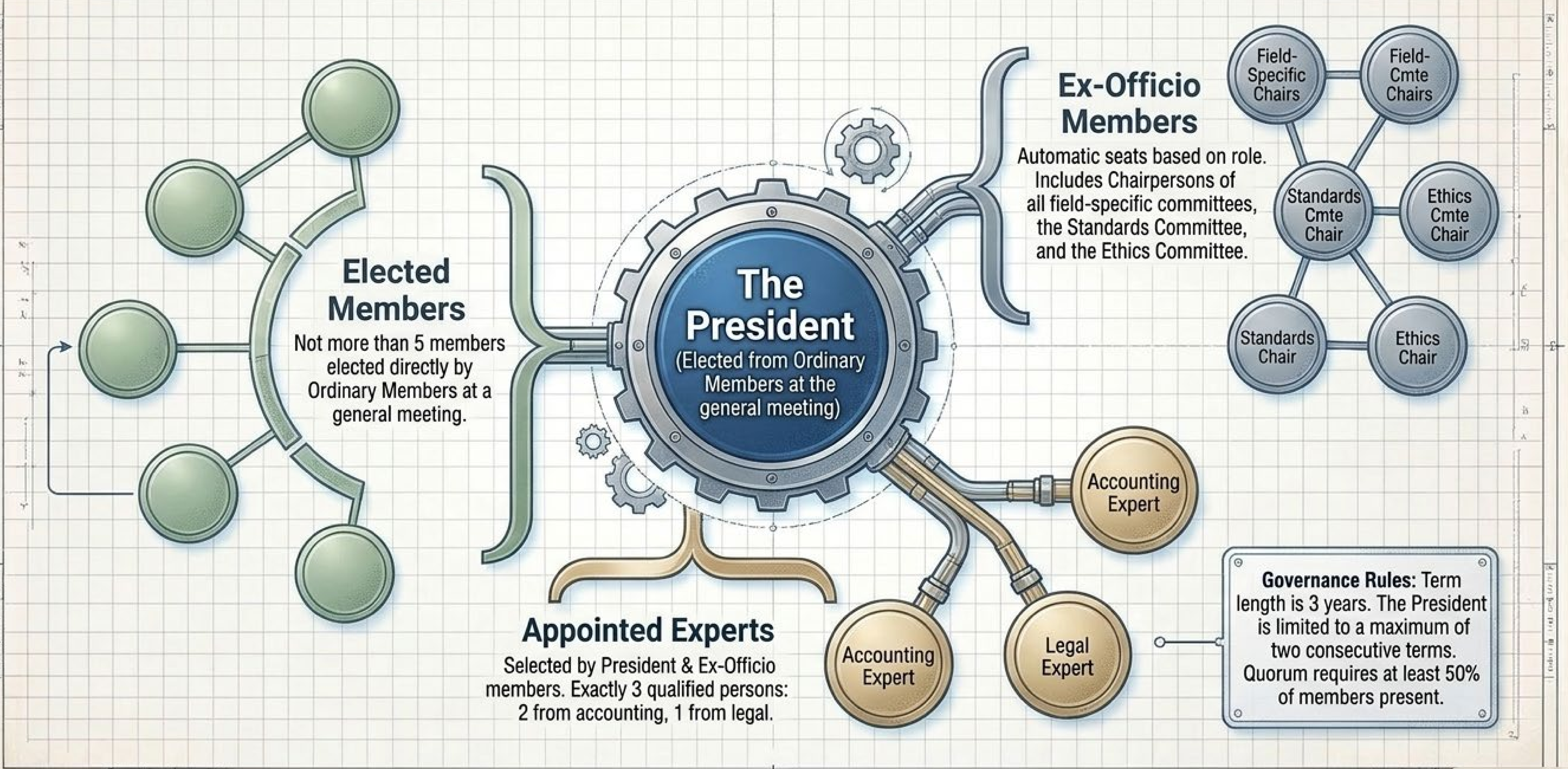
Associate Members

Profile: Thai nationals with specific specialized qualifications prescribed by the FAP.

Honourary Members

Profile: Qualified experts formally invited by a resolution of the FAP Executive Board.

The Engine of Governance: The Executive Board



Setting the Rules: The Accounting Standards Committee

Composition
(Sections 33-35)

- **Private Experts**: 7 to 11 qualified members (3-year terms).
- **State Representatives:** Dept. of Insurance, Dept. of Business Development, Revenue Dept., Bank of Thailand, Auditor-General, and SEC.

Formulation
(Section 34)

- **Mandate:** Formulate and revise accounting standards for bookkeeping under Thai law.
- **Requirement**: All standards must be prepared in the Thai language.

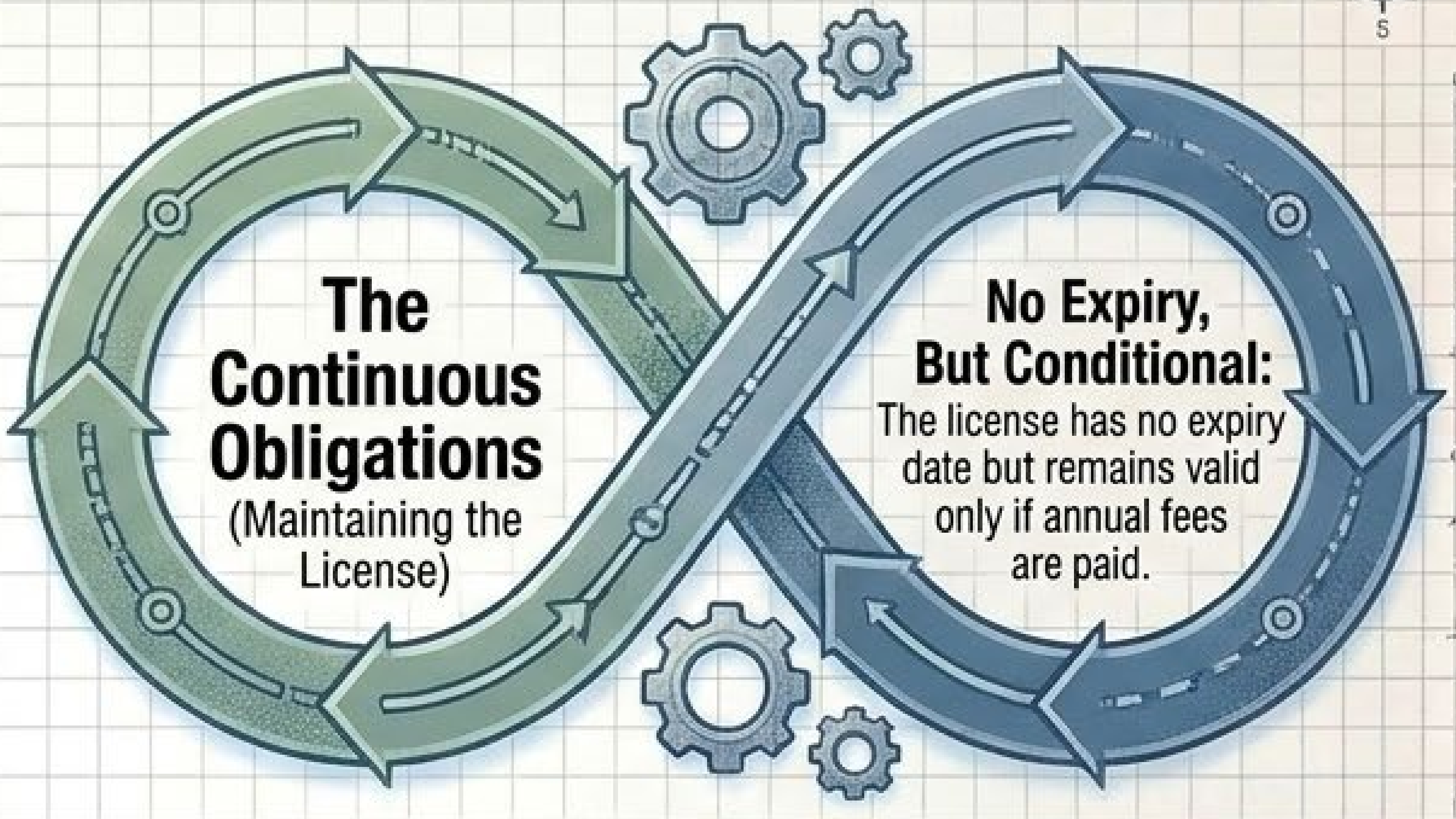
Approval & Enactment

- Final standards hold no legal weight until approved by the Accounting Professions Regulatory Commission and published in the Government Gazette.

Auditing Practice Control & Licensing

The Prerequisites
(Entering the Profession)

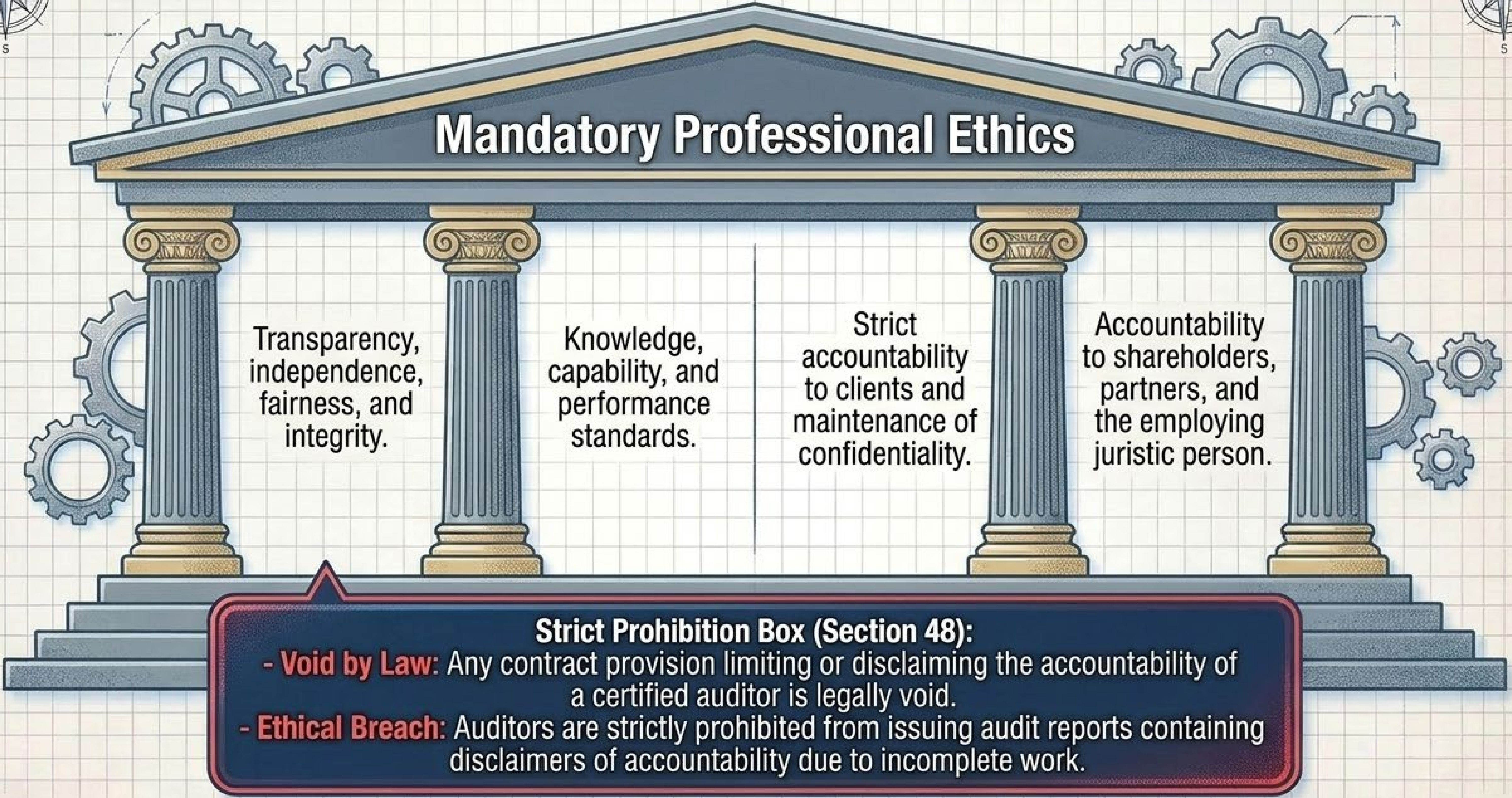
- Must be an Ordinary or eligible Extraordinary member.
- Must pass rigorous testing, complete supervised internship/training.
- Must not be a bankrupt individual.



- **Mandatory CPE**: Must attend continuous training/seminars prescribed by the FAP. Failure results in immediate license suspension.

Corporate Liability Note (Section 11): Juristic persons offering audit services must provide liability securities. If damages exceed securities, signing directors/partners become jointly liable.

The Moral Compass: Professional Ethics



Enforcing Integrity: The Investigation Process

Step 1: The Allegation

Must be filed within 1 year of discovering the breach, but absolutely no later than 3 years from the date the breach occurred.

Step 2: The Investigation

Conducted by the Professional Ethics Committee (9-15 members). Sub-committees hold legal power to summon persons, accounts, and documents.

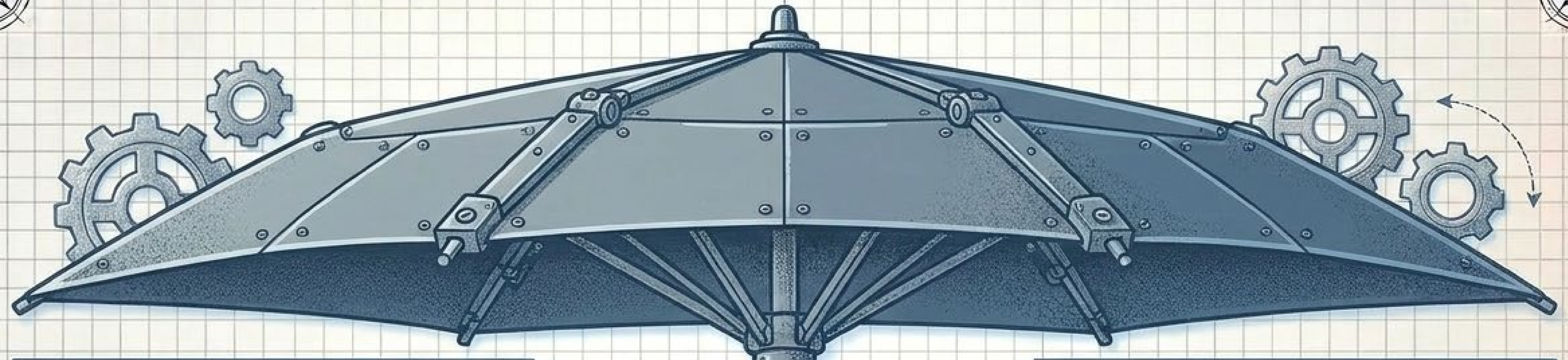
Step 3: The Ruling

The Committee issues an order either dismissing the allegation or inflicting a penalty. Both parties are notified in writing.

Step 4: The Appeal

Aggrieved parties have exactly 30 days to appeal the decision to the Accounting Professions Regulatory Commission.

The Ultimate Overseer: Regulatory Commission



Composition

(The Heavyweights of State & Finance)

- **Chair**: Permanent Secretary for the Ministry of Commerce.
- **Ex-Officio Giants**: Governor of Bank of Thailand, Auditor-General, SEC Secretary-General, DGs of Revenue and Insurance, plus leaders of Thai Industries and Bankers' Associations.
- **Experts**: 3 Minister-appointed experts (2 Accounting, 1 Law).

Ultimate Powers

(Sections 60-63)

- **Veto Power**: Approves or rejects FAP Regulations and Accounting Standards.
- **Final Arbiter**: Serves as the ultimate appellate body for licensing and ethics disputes.
- **Removal Power**: Can investigate and recommend the Minister to remove the FAP President or Executive Board members for non-compliance.

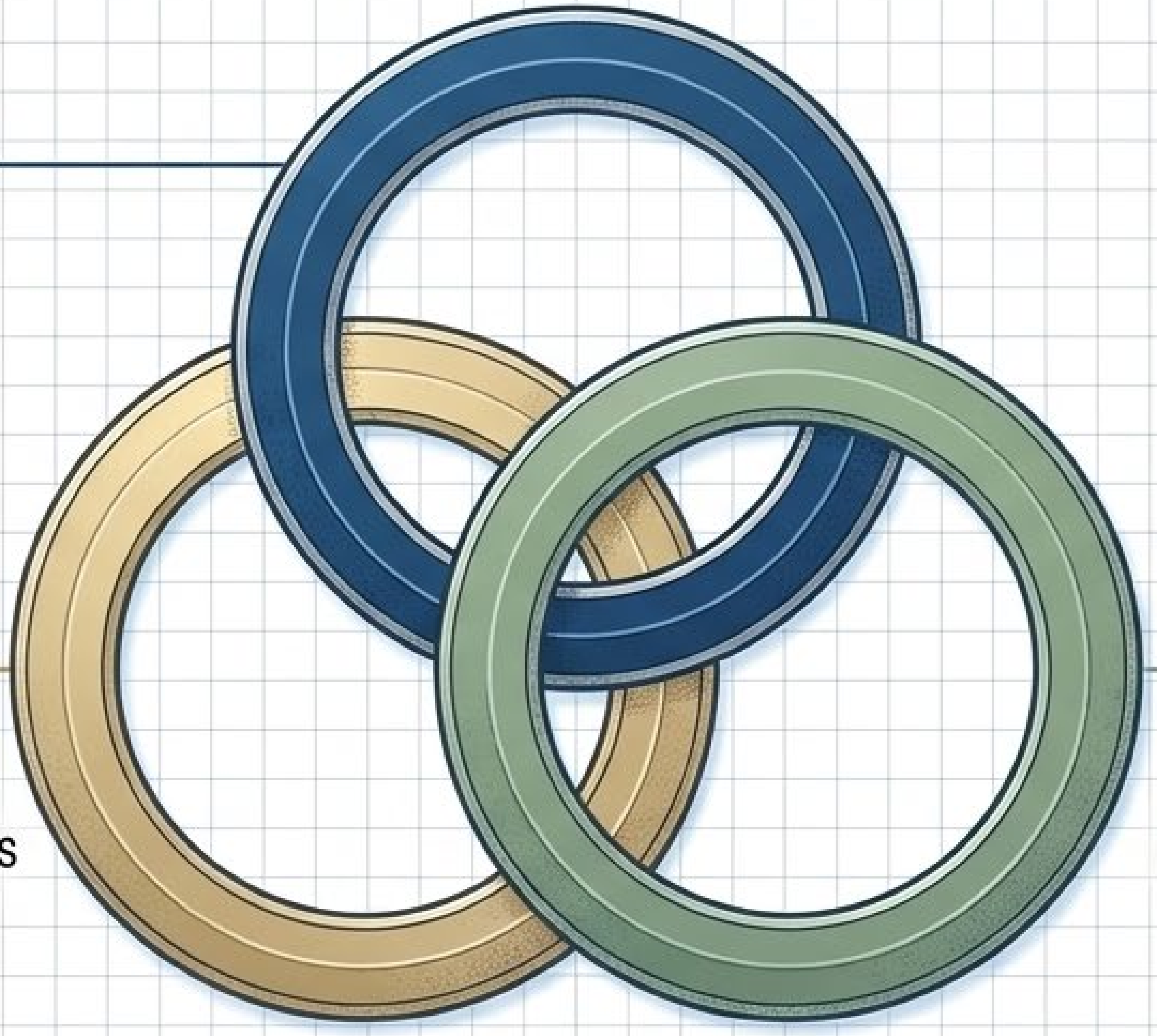
The Guardrails: Criminal Penalties

Offense	Prison Term	Financial Fine
Unlicensed Practice (Section 65). Operating in a restricted accounting field without an FAP license or registration.	Up to 3 years imprisonment	Up to 60,000 Baht fine
Practicing While Suspended (Sections 68 & 70). A certified auditor or practitioner continuing to work while under a suspension order.	Up to 3 years imprisonment	Up to 60,000 Baht fine
Corporate Registration Failure (Section 66). Juristic persons providing services without registering or providing required liability securities.	N/A	Up to 300,000 Baht fine (+ 10,000 Baht per day until compliant)

Critical Risk Callout (Section 72): Piercing the Corporate Veil

If a juristic person commits an offense, the managing director, partner, or representative is jointly liable to the same legal penalties unless they prove non-involvement.

A Unified Standard of Trust



1. Elevated Standards

Centralizing governance under the FAP ensures that Thai accounting practices evolve in lockstep with global economic demands.

2. Uncompromising Ethics

By strictly outlawing disclaimers of accountability and mandating continuous education, the Act protects public and corporate stakeholders.

3. Balanced Oversight

The system perfectly balances professional self-governance (FAP) with ultimate State intervention (Regulatory Commission).

The Accounting Professions Act, B.E. 2547 is more than a regulatory framework; it is the structural foundation for financial transparency and economic confidence in Thailand.