

**Notification of The Federation of Accounting Professions  
4/2559 (2016)  
Due process of Thai Financial Reporting Standards**

For the purpose of enhancement a high quality of setting Thai Financial Reporting Standards (TFRS) and enforcement of Thai Financial Reporting Standards (TFRS) for more effectiveness and efficiency including setting Thai Financial Reporting Standards (TFRS) more globally on the basis of consideration of the information received from all stakeholders completely, by virtue of Section 7 (3) of the Federation of Accounting Professions Act, B.E. 2547 (2004), the Federation of Accounting Professions (FAP) has the authority to formulate and amend accounting standards to be used in bookkeeping under the accounting laws and other laws. The accounting standards shall come into force upon approval by the Oversight Committee on Accounting Professions and publication in the Government Gazette. On 3 September 2015, the FAP's Board Meeting No. 15/2557-2560 (9/2558) has determined the due process of Thai Financial Reporting Standards as follows;

**Article 1** This notification shall come in force as from 1 April 2016 onwards.

**Article 2** The Federation of Accounting Professions determined the vision in relating to be the leading organization in a regional in order to develop the accounting practitioners to be professional, ethical and be ready for a global competitive. The FAP amended the due process for the overall benefit of the accounting practitioners including setting Thai Financial Reporting Standards. The FAP's objective is to provide quality, reliability, conformity with standard format and same direction including comparability of the entity's financial report in global level. The FAP set the due process in 6 processes as followings:

**2.1 Studying, Research and Monitoring of International Financial Reporting Standards**

Studying and Monitoring IFRS Sub-Committee received the Discussion papers or Exposure Drafts which were published by 'The International Accounting Standards Board (IASB)' and prepared the comment letter. The IASB normally allowed a minimum period of 120 days for any comment. The Sub-Committee will be studying and considering the principle of that International Financial Reporting Standards (IFRS). Then, they prepare the research program on the effect of IFRS adoption. After that, they will publish both contents and the research program of that IFRS by

- Publication of all replied comment letters to IASB on FAP's website within 1 month from the submission of that comment letters. For the major amendments with complex and significant change in principle to existing Standards, the Sub-Committee will publish the article about the effect on the adoption of that standard within 1 month from the submission of the comment letters.
- Studying in the group that may be affected from IFRS that had complex and significant change in principle.
- Focus group for IFRS that had complex and significant change in principle.

**2.2 Planning in preparing TFRS**

In every January, Thai Accounting Standard-Setting Committee (TASSC) will launch a plan for setting TFRS following IASB Work plan for drafting TFRSs from IASB announcement and publishing the completed IFRSs. Currently, IASB announces and publishes IFRS before the effective date at least 9 months to 4 years which were depended on the amendment of content and complexity of IFRS.

### 2.3 Preparing TFRS

TASSC prepared TFRS by drafting TFRS in Thai language by translating from IFRS (English version) and consider the study result of the Studying and Monitoring IFRS Sub-Committee. The period of drafting new standards was at least 2 months from the date of received IFRS. The period of drafting amended standards was at least 1 month from the date of received IFRS.

### 2.4 Public hearing of draft TFRS

After studying the effect, TASSC will publish a draft TFRS on the FAP's website and proceed the public hearing with the period of public hearing at least 1 month as following process:

2.4.1 the FAP will arrange the public hearing in 2 phases as following:

- Phase 1 : concept release e.g. understanding seminar or focus group and
- Phase 2 : Standards draft release e.g. Public Hearing

There are some exemption for public hearing particularly some necessary circumstance that is a rare case, i.e. the exemption case that the effect will incur loss to the entity unless such standard is not applied on a timely basis. The exemption of public hearing must be approved by from the Chairman of TASSC

2.4.2 The period of public hearing

The period of public hearing shall be appropriate, suitable and in conformity with the complexity of TFRS. In case of some amendments on wording and reference of TFRS (no amendment of any principle of TFRS), the amendments will be arranged public hearing via the FAP's website at least 30 days from the date of the first draft of TFRS. In case of the amendments on content of TFRS but not complex in practice, the amendments will be arranged public hearing at least 60 days from the date of the first draft of TFRS. In case of the amendments on content of TFRS with complex in practice, the amendments will be arranged public hearing at least 120 days from the date of the first draft of TFRS. The TASSC will publish the effect on the amendments of TFRS with complex and significant in practice to all stakeholders in order to realise the effect and well-prepare at least 2 years before the effective date.

2.4.3 The channel to access the Public Hearing paper

The paper which used for Public Hearing is published on the FAP website ([www.fap.or.th](http://www.fap.or.th)) which is our accessible main channel to access the paper for all attendees. Moreover, FAP also send it by e-mail to all attendees. For Public Hearing, FAP send the invitation letter to all listed companies via e-mail by asking for collaboration from "The Stock Exchange of Thailand". The paper is published on the FAP website, giving a minimum of 7 days in advance. The objective of the paper is to provide sufficient information so that the attendees can make informed decisions on Public Hearing. Normally, the committee or sub-committee or working group under TASSC will attend this public hearing to consider and assess the recommendations.

2.4.4 The Public Hearing Paper

The objective of the Public Hearing Paper is to provide sufficient information for the major amendment to a standard which covers the principle of the standard, the rational of amendment to the standard and the objective of issuing the standard. In the paper, it also includes the analysis from applying the standard and the effective date of the standard. The paper is prepared with an easily understandable word by avoiding the technical defined term.

#### 2.4.5 Analysing the effect on the stakeholders of TFRS

The FAP will analyse and classify stakeholders into groups by considering the relevance of such standard setting. Each internal FAP's group will be assigned to reach the direct effects of the target group who has most impact from the adoption of that standard. The received responses and opinions will be incorporated with the standard setting.

#### 2.4.6 Publishing the Discussion paper

The Discussion paper from Public Hearing is published on the FAP website ([www.fap.or.th](http://www.fap.or.th)) to all attendees and interested parties. The paper presents the collective views and the matters/points raised by respondents which can help FAP to consider and discuss the comments when issuing the TFRS.

### **2.5 Consideration for approval draft TFRS**

Accounting Standard Scrutinizing Sub-Committee, Federation of Accounting Professions Board and Oversight Committee on Accounting Professions is to consider and approve TFRS within 1 month for each committee. After that, TFRSs are announced in Royal Gazette and published on the FAP website.

### **2.6 The process after announced and published TFRS**

After TFRSs are announced in Royal Gazette and published on the FAP website, Thai Accounting Standards – Technical Sub-Committee prepared “Accounting manual” of that TFRS to clearly understand the content and the amendment of the standard and the impact of the amendment.

Chart for Due process of Thai Financial Reporting Standards

Detail	Due process	Period (month)		
		Partly Amendme nt to Standard	Major Amendm ent to Standard	New Standard
IASB published Discussion paper and Exposure draft on the IFRS Foundation website	1. IASB published Discussion paper and Exposure draft on the IFRS Foundation website. Each country can raised views or suggestions via Comment letter.	Minimum for 120 days after publication		
Studying and Monitoring IFRS Sub-Committee studied and considered the principle of that IFRS	After Studying and Monitoring IFRS Sub-Committee received Discussion paper and Exposure draft, the sub-committee studied and considered the principle and impact of that IFRS (both amendments and new standards) and then published via Articles and Focus group.	Minimum for 120 days		
Planned for preparing TFRS	2. Thai Accounting Standard-Setting Committee planned for preparing TFRS according to each Bound volume of IFRS and IASB's work plan.	In the beginning of January of the year		
Prepared TFRS	3. Thai Accounting Standard-Setting Committee prepared draft TFRS by translating from IFRS (English version) and considered the matters raised by Studying and Monitoring IFRS Sub-Committee.	Minimum for 1 month	Minimum for 1 month	Minimum for 1 month
Arranged seminar or public hearings of draft TFRS	4. After publishing draft TFRS, FAP arranged seminar or public hearings of draft TFRS to seek views, suggestions and the effect from applying TFRS.	Minimum for 1 month		
Presented draft TFRS to Sub-Committee and Releted Committee	5. Presented draft TFRS to Accounting Standard Scrutinizing Sub-Committee, Federation of Accounting Professions Board and Oversight Committee on Accounting Professions for approval, respectively. After that, TFRS are announced in Royal Gazette and published on the FAP website.	1 month for each committee (Totally 3 months)		
Announced in Royal Gazette and published on the FAP website	6. After TFRS announced and published, Thai Accounting Standards – Technical Sub-Committee prepared Accounting manual of that TFRS.			
Thai Accounting Standards – Technical Sub-Committee prepared Accounting manual				