

JURISDICTIONAL PROFILE: **Thailand**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Thailand. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact [permissions@ifrs.org](mailto:permissions@ifrs.org).

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**RELEVANT JURISDICTIONAL AUTHORITY**

Organisation	Federation of Accounting Profession - Thailand (TFAC)
Role of the organisation	The TFAC is the official accounting standards-setting body in Thailand. The TFAC was created under the Accounting Professions Act 2004. Accounting standards are set by the Federation's Accounting Standards Board (ASB). Twenty members of the ASC represent securities, banking, insurance and other industry regulators and the others are from academia, audit firms, and industry. Members of the ASC are appointed by the TFAC board. However, the issuing of accounting standards requires approval from the Oversight Board of Accounting Professions (namely Kor Kor Bor)
Website	<a href="http://www.tfac.or.th/">http://www.tfac.or.th/</a>
Email contact	<a href="mailto:academic-fap@tfac.or.th">academic-fap@tfac.or.th</a>

## COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	<p>Yes.</p> <p>The commitment is stated in Thai on the Federation's website:</p> <p><a href="https://acpro-std.tfac.or.th/standard/1/Thai-Financial-Reporting-Standards">https://acpro-std.tfac.or.th/standard/1/Thai-Financial-Reporting-Standards</a></p>
What is the jurisdiction's status of adoption?	<p>Thailand has adopted all effective IFRS Standards (including all IFRS and IAS Standards and IFRIC Interpretations and SIC Interpretations), known as Thai Financial Reporting Standards (TFRSs) translated from IFRS Standards normally with a one-year delay in effective date from that of the IFRS Standards, with early adoption permitted.</p> <p>The one-year delay is due to the need to translate the IFRS Standards into Thai and to complete the TFAC's due process. The TFAC's stated policy is that TFRS Standards will be effective no later than one year from the IFRS Standards' effective date.</p> <p>For example, all IFRS Standards in the 'Blue Book' Bound Volume 2020 would be effective in Thailand on 1 January 2021 with early adoption permitted. IFRS 17 would be effective in Thailand on 1 January 2024.</p>
Additional comments provided on the adoption status?	<ol style="list-style-type: none"> <li>Thailand started the process of aligning TFRS closely with IFRS Standards in 2011.</li> <li>TFRSs are required for Publicly Accountable Entities (PAEs)</li> <li>This guideline addresses specific issues not covered by IFRS Standards: <ul style="list-style-type: none"> <li><i>Guideline on Accounting for Business Combinations Under Common Control</i></li> </ul> </li> <li>This guideline addresses financial instruments and disclosure for insurance businesses during the temporary exemption of IFRS 9 that will be superseded when IFRS 17 become effective in Thailand: <ul style="list-style-type: none"> <li><i>Guideline on Accounting for Financial Instruments and disclosure for Insurance Business (from IAS 39)</i></li> </ul> </li> </ol> <p>TFAC is also revising the accounting standard for Non-Publicly Accountable Entities (NPAEs). From 1 January 2020 the revaluation method is permitted for the measurement of property, plant and equipment, and Investment Property maybe measured at fair value.</p>
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction.	Not applicable.

## EXTENT OF IFRS APPLICATION

*For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?

Thailand has adopted all effective IFRS Standards (including all IFRS standards, IAS, IFRIC and SIC), known as TFRS which were translated from the IFRS Standards with a one-year delay in effective date from that of the IFRS Standards with early adoption permitted.

TFRSs are required for Publicly Accountable Entities (PAEs), including listed companies.

There are two stock exchanges in Thailand:

- The Stock Exchange of Thailand (SET); and
- Market for Alternative Investment (MAI)

Thai Financial Reporting Standards (TFRSs) as adopted by the TFAC and published in the *Government Gazette* are required for the following entities:

- entities whose equity or debt instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets) or that files, or are in the process of filing their financial statements with a securities commission or other regulatory organisation for the purpose of issuing securities in a public market;
- entities whose operation is mainly holding assets in a fiduciary capacity for a broad group of outsiders, such as financial institutions, insurance companies, securities companies, mutual funds, agricultural futures market, in accordance with relevant laws; and
- public companies under Public Company Act.

See details above in the Commitment to Global Financial Reporting Standards section for this profile.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?

All effective IFRS Standards (known as TFRS Standards) with a one-year delay with early adoption permitted are required.

Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?

All domestic companies whose securities trade in a public market.

Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?

Thai PAEs are required to prepare both consolidated and separate financial statements in conformity with the TFRS Standards.

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

TFRSs are required to be applied in the separate financial statements of companies whose securities are traded in the public market.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

These companies have a choice of reporting either in accordance with TFRS standards, or in accordance with TFRS Standards for NPAEs.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic

IFRS Standards in English are not directly adopted in Thailand because the official language in Thailand is Thai. Thus, accounting standards that are to be enforced as laws are required to be in Thai by the Accounting Professions Act

companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?

of B.E. 2004. Therefore, the IFRS Standards would be translated into Thai before they were adopted as TFRS.

*For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

IFRS Standards are permitted.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

## IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

All effective IFRS Standards have been adopted as TFRSs.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

Thai Financial Reporting Standards (TFRSs).

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

Not applicable.

Are IFRS Accounting Standards incorporated into law or regulations?

No.

If yes, how does that process work?

Not applicable.

If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?

Not applicable.

Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?

Yes. TFAC has a due process for adopting new or amended TFRS Standards (including Interpretations), which were translated from the IFRS Standards.

If yes, what is the process?

The English version of IFRS Standards is not automatically adopted in Thailand because the official language is Thai. The process that the TFAC uses in adopting IFRS Standards is as follows:

- the IFRS Standards are translated into the Thai language;
- the Thai language standard is issued in draft for public hearings;
- the Federation of Accounting Profession (TFAC) and the Accounting Standards Board conduct public seminars, focus group discussions, etc to obtain comments;

- the Supervisory Accounting board of TFAC approves the final standard and the TFAC board also approves the standard;
- the Oversight Board of Accounting Professions (Kor Kor Bor) endorses the IFRS. Oversight Board members are regulators and other government officials;
- the standard is published in the Government Gazette; and
- the standard is considered officially issued after its publication in the Gazette.

The standard becomes effective after publication in the Gazette.

If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?

As explained above, the TFAC's stated policy is that IFRS Standards will be effective no later than one year from the effective date of the IFRS Standard.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards?

No

If yes, what are the changes?

Not applicable.

Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?

None.

## TRANSLATION OF IFRS ACCOUNTING STANDARDS

Are IFRS Accounting Standards translated into the local language?

Yes. The official language is Thai

If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards?

As described above in the IFRS Endorsement section of this profile.

## APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

Has the jurisdiction adopted the *IFRS for SMEs* Accounting Standard for at least some SMEs?

No, see below.

If no, is the adoption of the *IFRS for SMEs* Accounting Standard under consideration?

TFAC is in the process of revising the accounting standard for Non-Publicly Accountable Entities (NPAEs) in other areas in addition to Property, Plant, and Equipment and Investment Property (for example consolidated financial statements and share-based payment).. At present, TFAC is in the process of seeking inputs from stakeholders for application issues regarding the accounting standard for NPAEs.

Did the jurisdiction make any modifications to the *IFRS for SMEs* Accounting Standard?

No.

If the jurisdiction has made any modifications, what are those modifications?

Not applicable.

Which SMEs use the *IFRS for SMEs* Accounting Standard in the jurisdiction, and are they required or permitted to do so?

See below.

For those SMEs that are not required to use the *IFRS for SMEs* Accounting Standard, what other accounting framework do they use?

- Currently SMEs in Thailand can use either (a) Thai Financial Reporting Standards (TFRSs) or (b) the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (NPAEs).

Other comments regarding use of the *IFRS for SMEs* Accounting Standard? None.