

## **Auditor Act, B.E. 2505 (1962)**

Translation

BHUMIBOL ADULYADEJ, REX.

Given this 30th day of October, B.E. 2505 (1962)

Being the 17th year of the present reign

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Where as it is expedient to enact a law relating to auditor,

Be it, therefore, enacted by the King, by and with the advice and consent of the Constituent Assembly in its capacity as the Parliament, as follows:

### **Section 1**

This Act shall be called the "Auditor Act, B.E. 2505 (1962)".

### **Section 2**

This Act shall come into force on and from the day following the date of its publication in the Government Gazette.

### **Section 3**

In this Act:

"Authorized Auditor" means person who has been granted license to act as an auditor under this Act, and which license has not yet expired or has not been suspended or revoked.

"Minister" means the Minister having charge and control of the execution of this Act.

### **Section 4**

There shall be a board called the "Board of Supervision of Auditing Practices" abbreviated as "B.S.A.P.", consisting of the Under-Secretary of State for Economic Affairs as chairman, the Director-General of the Commercial Registration Department, the Director-General of the Comptroller-General Department, the Director-General of the Revenue Department, the President of the Audit Council of Thailand, the Dean of the Faculty of Commerce and Accountancy of the Chulalongkorn University and the Dean of the Faculty of Commerce and Accountancy of the Thammasat University as ex officio members, and eight other members appointed by the Minister, of which not less than half shall be nominated from authorized auditors.

The B.S.A.P. shall select one of its members as vice-chairman who shall have the duty of assisting the chairman in all affairs within his powers and duties, as assigned by him, and who shall act for the chairman when he is absent or when he is unable to discharge his duties.

The members appointed by the Minister shall hold office for a term of two years each time, and may be re-appointed but not for more than two consecutive terms.

### **Section 5**

The member appointed by the minister vacates office upon:

- (1) completion of office term;
- (2) resignation;
- (3) suspension, revocation or expiration of his authorized auditor license;
- (4) becoming bankrupt;
- (5) becoming incompetent or quasi-incompetent;

- (6) being sentenced to imprisonment by final court's judgment, except where it is punishment for a petty offence or for an offence committed through negligence.

Subject to Section 4, when a member appointed by the Minister vacates office prior to rotation, the Minister may appoint other person as replacement member.

The replacement member shall be in office for the remainder of term of office of his predecessor.

### **Section 6**

When the members appointed by the Minister vacate office at end of office term, they shall remain in office until the newly appointed members will have assumed duties.

### **Section 7**

The office of the B.S.A.P. shall be set up in the Ministry of Economic affairs, with a registrar responsible for the maintaining of the register of authorized auditors and for other general affairs, and shall be manned with a reasonable number of staff. The registrar shall concurrently act as the secretary of the B.S.A.P.

### **Section 8**

The chairman shall be the person to summon meetings of B.S.A.P. from time to time as deemed appropriate.

Members of a number of not less than five may subscribe their names to request the chairman to summon a meeting of B.S.A.P.

### **Section 9**

A meeting of the B.S.A.P. shall require a quorum of not less than one half of the total number of members. If the chairman and the vice-chairman are not present at any meeting or are not able to perform their duties, the members present shall select one among themselves as the chairman of that meeting.

Subject to Section 10, decision of a meeting of B.S.A.P. shall be by a majority of votes. Each member shall have one vote. In case of a tie, the chairman of the meeting shall have an additional vote as a casting vote.

### **Section 10**

The following resolutions of B.S.A.P. meeting shall require not less than two-thirds of the total votes:

- (1) Resolution to suspend or revoke an authorized auditor license;
- (2) Resolution to re-register an auditor whose license has previously been revoked as authorized auditor as stated in Section 20.

### **Section 11**

The B.S.A.P. has the following powers and duties:

- (1) To register and issue license to authorized auditors;
- (2) To suspend or revoke license of an authorized auditor;
- (3) To issue regulations laying down the principles and procedures for the application for and the issuance and the renewal of authorized auditor license, as well as for the issuance of substitute thereof;
- (4) To give counsels and advices to universities or other educational institutes regarding auditing practice

### **Section 12**

The B.S.A.P. has the power to appoint sub-committees to attend to any business or to investigate into any matter within the scope of its powers and duties. The provisions of Section 9 shall apply to the meetings of sub-committee *mutatis mutandis*.

### **Section 13**

Where auditing is required by law or where the law provides for auditors, no person may sign in certification of an auditing in the capacity of an auditor, except;

- (1) authorized auditor, or
- (2) where it is an official duty.

### **Section 14**

Any documents required by law to be certified by an auditor must bear signature, in certification, of an authorized auditor or else they shall not be valid under the provisions of such law.

The provisions of paragraph one shall not apply to official documents.

### **Section 15**

To be eligible for registration as an authorized auditor, person must:

- (1) have degree in accountancy or hold certificate in accountancy recognized by the B.S.A.P. as not lower than the bachelor degree in accountancy, or have a degree or a certificate not lower than bachelor degree toward which the course includes accountancy studying and which is considered by the B.S.A.P. as fit for being an authorized auditor;
- (2) have experience in auditing and considered by the B.S.A.P. as fit to become an authorized auditor;
- (3) have completed his twentieth year of age;
- (4) be a citizen of Thailand or of a country which permits Thai citizen to become auditor in that country;
- (5) not be a person of bad conduct or who lacks in morality;
- (6) have never been sentenced to imprisonment in a case considered by the B.S.A.P. as may bring discredit to the profession;
- (7) not be an insane or mentally unsound person;
- (8) not engage in any other occupations which are not suitable or which will deprive him of the freedom to perform the duties of auditor.

### **Section 16**

An authorized auditor license shall be valid for five years from the date of its issuance.

### **Section 17**

An authorized auditor must have an office and inform the B.S.A.P. of which at the time of submitting application for license.

In the case of there being no office, an authorized auditor may use his dwelling place as his office.

In the case of office removal, the authorized auditor concerned must report it to the registrar within fifteen days from the date of removal.

### **Section 18**

An authorized auditor must observe etiquette as prescribed in Ministerial Regulations.

### **Section 19**

A suspension or a revocation of license, as mentioned in Section 11 (2) may be ordered for when an authorized auditor is found:

- (1) lack of any of the qualifications required under Section 15, or
- (2) having violated this Act or Ministerial Regulations issued under this Act

A suspension of license shall not exceed one year each time.

Before any suspension or revocation of license is made, inquisition shall first be made in order to give the authorized auditor concerned a chance to be aware of the charge and to make statement in defense.

In carrying out an inquisition, the B.S.A.P. or the sub-committee appointed by the B.S.A.P. shall have the power to summon, in writing, any person to give statements or to send documents or any materials for consideration.

#### **Section 20**

A person whose authorized auditor license has been revoked may apply for registration as an authorized auditor again after the lapse of three years from the date his license is revoked. However, if the B.S.A.P., after due consideration, refuses to issue him the license, he may submit an application again only after the lapse of a period of one year from the date of such refusal by the B.S.A.P. If the B.S.A.P. refuses to issue the license for the second time, the said person shall no longer have the right to apply such registration again.

#### **Section 21**

Whoever violates Section 13 shall be punished by imprisonment for not more than one year or by a fine of not more than Baht ten thousand, or by both such imprisonment and fine.

#### **Section 22**

Whoever, not being an authorized auditor, makes known to the public by any means, that he is an authorized auditor shall be punished by imprisonment for not more than six months or by a fine of not more than Baht five thousand, or both such imprisonment and fine.

#### **Section 23**

In the initial stage, the B.S.A.P. shall consist of the Under-Secretary of State for Economic Affairs as chairman, ex officio members as mentioned in Section 4 and eight other members as appointed by the Minister.

When the number of authorized auditors reaches fifty, the members appointed by the Minister shall vacate office and the Minister shall appoint members anew as provided in Section 4, paragraph one.

#### **Section 24**

The provisions of Section 13 and Section 14 shall not be applicable until one hundred and eighty days from the date this Act comes into operation have lapsed.

#### **Section 25**

Within the period of one hundred and eighty days from the date this Act comes into force, those who have practiced auditing and signed in certification of auditing of accounts of juristic persons in Thailand in the capacity of auditors for a period of not less than five successive years, by attaching signature in certification of their auditing for not less than five juristic persons per year, and who possess the qualifications required under Section 15 (3), (4), (5), (6), (7), and (8), shall have the right to submit application for registration as authorized auditors under this Act. Finding its satisfactory, the B.S.A.P. shall register them as authorized auditors.

#### **Section 26**

The Minister of Economic Affairs shall have charge and control of the execution of this Act and shall have the power to appoint registrar and competent officials and to issue Ministerial Regulations fixing fees at not exceeding the rates in the annex and prescribing other affairs for the execution of this Act.

Such Ministerial Regulations shall become effective upon publication in the Government Gazette.

### Fees

- (1) Fee for issuance or renewal of license Baht 200
- (2) License Alteration fee, each time Baht 50
- (3) License Substitute Baht 50
- (4) Fee for copy of a document certified by registrar Baht 20

### Note

The reason for the promulgation of this Act is that auditing is an independent profession which is, not only of great importance, but also essential to economic development. As at the present there is no law to control auditing and as there are now an increased number of accountants educated from the universities and other educational institutes, it is therefore deemed expedient to enact a law establishing the standardized qualifications and background knowledge of auditors and to set up a supervisory board for the purpose.

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