

CURRENT STATUS OF CONVERGENCE OF THAI AND INTERNATIONAL ACCOUNTING & FINANCIAL REPORTING STANDARDS

SEPTEMBER 2013



This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this document without obtaining specific professional advice. Accordingly, Mazars Thailand accept no liability or responsibility for the consequences of you or anyone else acting, or refraining from acting, based on reliance on the information contained in this document.

No part of this publication may be reproduced, stored in any system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior permission of Mazars Thailand.

CONTEXT

IFRS as a reporting framework has gained a foothold around the globe and is now the prevalent framework required in many major capital markets. Thailand has long been aware that convergence with international accounting and financial reporting standards is a necessary step to remain competitive as an investment destination in both the regional and global economy.

Therefore, the Federation of Accounting Professions in Thailand (FAP) and Thai Securities and Exchange Commission (SEC) initiated a program to converge Thai with International standards. Several new and revised Thai Standards have been issued over recent years by the FAP and are already effective. However, the process to fully align Thailand with international accounting and financial reporting practice remains ongoing.

The objective of this document is to highlight the current progress of this convergence project and to identify in what areas issues are still being addressed.

GLOSSARY OF TERMS

IFRS/TFRS: International/Thai Financial Reporting Standard

IAS/TAS: International/Thai Accounting Standard

IFRIC/TFRIC: International/Thai Financial Reporting Interpretations Committee

SIC: Standing Interpretation Committee of the IASC

IASC: International Accounting Standards Committee

TSIC: Thai Standing Interpretation Committee

FAP: Federation of Accounting Professions



IFRS	Name	TFRS Status
	Framework (revised 2009)	Effective in 2011
1.	First-time Adoption of International Financial Reporting Standards	No plan to implement
2.	Share-based Payment (revised 2012)	Under FAP review (to be effective in 2014)
3.	Business Combinations (revised 2012)	Under FAP review (to be effective in 2014)
4.	Insurance Contracts (new)	To be effective in 2016
5.	Non-current Assets Held for Sale and Discontinued Operations (revised 2012)	Under FAP review (to be effective in 2014)
6.	Exploration for and Evaluation of Mineral Resources (revised 2009)	Effective in 2011
7.	Financial Instruments: Disclosures (new)	Under preparation*
8.	Operating Segments (revised 2012)	Under FAP review (to be effective in 2014)



IFRS	Name	TFRS Status
9.	Financial Instruments: Recognition and measurement (new)	Under preparation* (to be effective in 2016)
10.	Consolidated Financial Statements (new)	Developing and publishing the exposure draft (to be effective in 2015)
11.	Joint Arrangements (new)	Developing and publishing the exposure draft (to be effective in 2015)
12.	Disclosure of Interests in Other Entities (new)	Developing and publishing the exposure draft (to be effective in 2015)
13.	Fair Value Measurement (new)	Developing and publishing the exposure draft (to be effective in 2015)



IAS	Name	TAS Status
1.	Presentation of Financial Statements (revised 2012)	Under FAP review (to be effective in 2014)
2.	Inventories (revised 2009)	Effective in 2011
7.	Statement of Cash Flows (revised 2012)	Developing and publishing the exposure draft (to be effective in 2014)
8.	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2009)	Effective in 2011
10.	Events after the Reporting Period (revised 2009)	Effective in 2011
11.	Construction Contracts (revised 2009)	Effective in 2011
12.	Income Taxes (revised 2012)	To be effective in 2014
16.	Property, Plant, and Equipment (revised 2009)	Effective in 2011
17.	Leases (revised 2012)	Under FAP review (to be effective in 2014)
18.	Revenue (revised 2012)	Under FAP review (to be effective in 2014)



IAS	Name	TAS Status
19.	Employee Benefits (revised 2012)	Developing and publishing the exposure draft (to be effective in 2014)
20.	Accounting for Government Grants and Disclosure of Government Assistance (revised 2009)	Effective in 2013
21	The Effects of Changes in Foreign Exchange Rates (revised 2012)	Developing and publishing the exposure draft (to be effective in 2014)
23	Borrowing Costs (revised 2009)	Effective in 2011
24	Related Party Disclosures (revised 2012)	Under FAP review (to be effective in 2014)
26	Accounting and Reporting by Retirement Benefit Plans (revised 2009)	Effective in 2011
27	Consolidated and Separate Financial Statements (revised 2012)	Developing and publishing the exposure draft (to be effective in 2015)



IAS	Name	TAS Status
28	Investments in Associates (revised 2012)	Under FAP review (to be effective in 2015)
29	Financial Report in Hyperinflationary Economies (revised 2009)	Effective in 2011
31	Interests in Joint Ventures (revised 2012)	Under FAP review (to be effective in 2014)
32	Financial instruments presentation	Under preparation*
33	Earnings per Share (revised 2009)	Effective in 2011
34	Interim Financial Reporting (revised 2012)	Under FAP review (to be effective in 2014)
36	Impairment of Assets (revised 2012)	Developing and publishing the exposure draft (to be effective in 2014)
37	Provisions, Contingent Liabilities and Contingent Assets (revised 2009)	Effective in 2011
38	Intangible Assets (revised 2012)	Developing and publishing the exposure draft (to be effective in 2014)



IAS	Name	TAS Status
39	Financial Instruments: Recognition and Measurement	To be issued as TFRS 9*
40	Investment Property (revised 2009)	Effective in 2011
41	Agriculture (new)	Developing and publishing the exposure draft (to be effective in 2016)

* The FAP is currently preparing five accounting guidelines regarding financial instruments by referring to IFRS regarding Financial Instruments in order that entity will have its accounting treatment for financial instruments at the time that TFRS have not been promulgated.

No. 39.1: Recognition and measurement of financial instruments

No. 39.2: Derivatives

No. 39.3: Hedge accounting

No. 32: Financial instruments presentation

No. 7: Financial instruments disclosures



IFRIC	Name	TFRIC Status
1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	To be effective in 2014
2	Members' Shares in Co-operative Entities and Similar Instruments	No plan to implement
3	Emission rights	Under preparation
4	Determining whether an Arrangement contains a Lease	To be effective in 2014
5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	To be effective in 2014
6	Liabilities arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment	No plan to implement
7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	To be effective in 2014
9	Re-assessment of Embedded Derivatives	Under preparation
10	Interim Financial Reporting and Impairment	To be effective in 2014

IFRIC	Name	TFRIC Status
11	IFRS 2-Group and Treasury Share Transactions	No plan to implement
12	Service Concession Arrangements	To be effective in 2014
13	Customer Loyalty Programmes	To be effective in 2014
14	IAS19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Under FAP review (to be effective in 2014)
15	Agreements for the Construction of Real Estate	Effective in 2011
16	Hedges of Net Investment in a Foreign Operation	Under preparation
17	Distributions of Non-cash Assets to Owners	To be effective in 2014
18	Transfers of Assets from Customers	To be effective in 2014
19	Extinguishing Financial Liabilities with Equity Instruments	Under FAP review (to be effective in 2014)
20	Stripping Costs in the Production Phase of a Surface Mine	No plan to implement



SIC	Name	TSIC Status
7	Introduction of the Euro	No plan to implement
10	Government Assistance-No Specific Relation to Operating Activities	Effective in 2013
12	Consolidation-Special Purpose Entities	No plan to implement
13	Jointly Controlled Entities-Non-Monetary Contributions by Venturers	No plan to implement
15	Operating Leases-Incentives	To be effective in 2014
21	Income Taxes-Recovery of Revalued Non-Depreciable Assets	Effective in 2013
25	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders	Effective in 2013
27	Evaluating the Substance of Transactions in the Legal Form of a Lease	To be effective in 2014
29	Service Concession Arrangements: Disclosures	To be effective in 2014
31	Revenue-Barter Transactions Involving Advertising Services	Effective in 2011
32	Intangible Assets-Web Site Costs	To be effective in 2014

Mazars is present in 5 continents.

FOR MORE INFORMATION PLEASE CONTACT :

Jonathan Fryer, Director, Accounting Services

Watchara Pattarapitak, Director, Audit and Assurance Services

Mazars Ltd.

12th Floor, Empire Tower
195 South Sathorn Road
Bangkok 10120
Tel. +66 (0)2 670 1100
Fax +66 (0)2 659 5885