

## Qualifications of the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) and the person supervising accounting (Chief Accountant)

### Summary of important regulations

To ensure quality of financial reports and to enable consistent supervisory roles with SEC, SET requires that the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) and the person supervising accounting (Chief Accountant) have to meet the qualifications specified by SEC.

#### CFO and Chief Accountant Qualifications

The SEC's Rules	Qualifications for the individual who already holds such position in listed companies	In case listed companies appoint new CFO or Chief Accountant.	
		A) The person <b>had been</b> CFO/Chief Accountant in Listed companies <b>and is out of the position in less than 1 year.</b>	B) The person has <b>never</b> been CFO/Chief Accountant or is <b>out of the position more than 1 year.</b>
<p><b><u>CFO</u></b></p> <p><u>Education</u> : Minimum bachelor's degree or equivalent</p> <p><u>Experience</u> :</p> <ul style="list-style-type: none"> <li>• Minimum 3 years in accounting or finance within the last 5 years <u>or</u></li> <li>• Minimum 5 years in any field that is beneficial to the company's business within the last 7 years</li> </ul> <p><u>Training</u></p> <ul style="list-style-type: none"> <li>• Orientation 12 hours</li> <li>• Continuing development course in accounting knowledge 6 hours/year</li> </ul>	<p>-</p> <p>-</p> <p>-</p> <p>✓</p>	<p>-</p> <p>-</p> <p>-</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
<p><b><u>Chief Accountant</u></b></p> <p><u>Registration certificate as an Accountant</u> with criteria specified by Department of Business Development</p> <p><u>Experience</u> : Minimum 3 years in accounting within the last 5 years</p> <p><u>Training</u> : Continuing development course in accounting knowledge 6 hours/year in compliance with Department of Business Development</p>	<p>✓</p> <p>-</p> <p>✓</p>	<p>✓</p> <p>-</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>

#### Remarks

In case of a change in the appointment of CFO or Chief Accountant, the company must notify SET within 3 business days. If the company appoints acting personnel in the said position, the person should fully be qualified as per applicable regulation.

## Q&As

### **Qualifications**

#### **Q1: What the current CFO/Chief Accountant in a company should do?**

**A:** The person with CFO/Chief Accountant title will be exempted from the requirement on education and experience, as the person has already taken up this position which could be a proof of having sufficient experience to continue the work. Nevertheless the person has to complete six hours of his/her continuing development course in accounting knowledge (refresh course) per year starting from 2019 onwards.

In summary, qualifications of a listed company executive are as follows:

CFO: Complete 6 hours of refresh course per year

Chief Accountant: - Register as accountant as per the Department of Business Development (DBD)'s Announcement  
- Complete 6 hours of refresh course per year

#### **Q2: What the listed company should do when the company has changed its CFO/Chief Accountant?**

**A:** The listed company should consider whether the qualifications of appointed person based on the following grounds:

1) Person who is used to take a CFO/Chief Accountant position at a listed company and left CFO/Chief Accountant office for less than a year:

- CFO: Complete 6 hours of refresh course per year
- Chief Accountant: - Registered as accountant as per the DBD's Announcement  
- Complete 6 hours of refresh course per year

2) Person who has never taken a CFO/Chief Accountant position at a listed company or has taken the CFO/Chief Accountant position but left office for more than a year:

- CFO: - At least a bachelor's degree or equivalent  
- Accounting or financial experience during the last 3 out of 5 years, or experience in other areas directly useful to the company's operation during the last 5 out of 7 years  
- Complete 12-hour orientation and 6-hour of refresh course
- Chief Accountant: - Registered as accountant as per the DBD's Announcement  
- Accounting experience during the last 3 out of 5 years  
- Complete 6 hours of refresh course per year

The listed company has to announce the name of appointed CFO/Chief Accountant via SETLink within three days after appointment, so as to keep investors informed.

#### **Q3: Can a listed company appoint its corporate secretary, who graduated with accounting degree, as CFO?**

**A:** Yes, by taking into consideration with the criteria of qualifications in question no. 2 above.

**Q4: When a CFO of listed company resigned to become CFO at its overseas subsidiary for three years, and will return to listed company as CFO again in 2019, does that person need to take an orientation?**

A: The person was a CFO at the subsidiary which is not a listed company, he/she has therefore left office at a listed company for more than one year. This CFO requires to have all qualifications in terms of education, experience, as well as training prior to taking up the position of CFO. The person thus needs to take at least 12 hours of orientation program.

**Q5: Can a CFO/Chief Accountant take office in several listed companies at the same time?**

A: The CFO/Chief Accountant should take office in only one listed company, so as to perform his/her best duty.

**Q6: Can a CFO be registered as accountant as per the DBD's announcement, so that he/she can perform duty as both CFO and Chief Accountant?**

A: Yes he/she can do so. However, the listed company should have a separate CFO and Chief Accountant. These two positions take different responsibilities. They should be doing checks and balances.

**Q7: In case the listed company does not have a CFO position, but the Senior Accounting Director and Finance Director who report directly to the CEO, who will be taking the CFO position?**

A: In this case, the listed company may consider the person taking highest responsibility in finance and accounting.

**Q8: Can the CFO/Chief Accountant be foreigner?**

A: CFO can be a foreigner.

Chief Accountant: According to the BOD announcement, a company established under Thai law must have a Chief Accountant who resides in Thailand overseeing the accounts.

**Q9: Concerning CFO's accounting or financial experience, what area of experience?**

A: Accounting experience e.g. doing accounts or accounting audit.

Financial experience e.g. financial consultant, securities analyst, banking job, or fund management.

His/her accounting or financial experience may be from past employment in a company, not necessarily from a listed company.

**Q10: What if the appointed person does not have accounting/financial experience, what should the company do?**

A: That person must have at least 5 out of 7 years of experience in areas that are directly beneficial to the company's operation. The company's audit committee may view those experiences are directly beneficial to the company's operation.

**Q11: Is it necessary for the listed company to amend the audit committee's charter, so as to enable them to consider the qualifications of CFO/Chief Accountant?**

A: The SET does not require listed companies to amend the audit committee's charter to enable them to consider CFO/Chief Accountant's qualifications. An audit committee has the responsibility to review whether the listed company's actions are in line with the SEC Act, SET requirements, and other related laws concerning the company's business as per SET's Announcement on Audit Committee's Qualifications and Scope of Work B.E. 2558.

**Orientation Training**

**Q12: Is it necessary for listed company's CFO to take an orientation program?**

A: If the company changes its CFO to someone who has never been a CFO at a listed company before or who has left CFO office for more than a year, then the person has to take an orientation program before performing the duty.

For example, Mr. Somchai has resigned from CFO position of listed company YY in July 2017, and will take up CFO position at listed company ZZ in January 2019. He will be considered having left the position for more than a year, then an orientation program is needed before he takes office.

In case, Mr. Somchai takes up the position of CFO without taking an orientation program. This results in listed company ZZ fails to comply with rules of maintaining the status of listed companies relating to the part of CFO. The company must elaborate the causes and remedy methods in Form of 56-1 One Report.

**Q13: Where is the Orientation held?**

A: Details of an orientation program are available at

<https://www.sec.or.th/EN/Pages/LawandRegulations/AuditorFollow.aspx> :

- A course on "CFO Focus on Financial Reporting" organized by the Federation of Accounting Profession under the Patronage of His Majesty the King.
- A course on "Strategic CFO in Capital Markets" for the Module: CFO and Financial Information Management organized by Thailand Securities Institute (TSI) of the Stock Exchange of Thailand
- A course on "Strategic Financial Leadership Beyond Accounting: Strategies to improve performance and financial management for sustainable success" organized by the Thai Listed Company Association
- A course on "CFO's Orientation Course for New IPOs" organized by TSI

**Q14: While the company is recruiting a CFO for 2019 and the person in the recruitment process has already completed his/her orientation in 2017. Does he/she need to re-take the orientation?**

A: If the person has already completed CFO Orientation in 2017, then 6-hour of refresh course in 2018, he/she does not need to take any orientation before taking his/her office.

However, attending refresh course at least 6 hours per year after taking up the position is still required.

**Q15: Can the orientation be held as an in-house training?**

A: No. The orientation programs must be as published only in SEC’s website (Details as per in Q13). Scopes in this course are CFO’s duty relating to the financial statements, financial statement analysis, principles and effects of accounting standards on the financial statements. The training will be held by organizations related to the capital market, and presently, the host includes FAP, TSI, and Listed Companies Association (LCA), etc.

**Continuing development course in accounting knowledge (Refresh Course)**

**Q16: Is it necessary for the current CFO/Chief Accountant to complete his/her 6-hour refresh course?**

A: Current CFO/Chief Accountant has to complete his/her 6-hour CPD course/year.

**Q17: What types of refresh program are available?**

A: Training by an organization authorized to grant credit hours of Continuing Professional Development (CPD) as per FAP rule (CPD credit hours for accountants or accounting auditors), or by capital market organizations such as TSI, SET, Institute of Thai Directors, LCA, etc.

An in-house training or any other program must get approval from audit committee in terms of the benefits and relevance of content. It must be related to principles and effects of accounting standards on the business.

**Q18: Will an in-house training, conducted by CFO/Chief Accountant, be counted as credit hour for refresh course?**

A: CFO/Chief Accountant who participates as a lecturer in continuing development course in accounting knowledge can count as credit hours for refresh course.

**Q19: Is it necessary that the refresh course be recognized as CPD hours?**

A: Not necessary.

**Q20: The FAP provides self-study CPD program, where the exam replaces 20 hrs. of training. Can the CFO/Chief Accountant take that as orientation?**

A: It can be counted as refresh course.

**Others**

**Q21 : Are there any English orientation and refresh programs for foreigner CFOs?**

A : Foreigner CFOs are able to take either English or Thai courses by using translators having accounting and finance knowledge background.

TSI provides the following English courses.

- Orientation program : E-Learning CFO Orientation (English Version)
- Refresh program : E-Learning CFO Refresher Course (English Version)

Any updates will be published in [www.set.or.th/cfo](http://www.set.or.th/cfo).

**Q22 : How does the company disclose the attendance of orientation and refresh courses of CFO and Chief Accountant?**

A : Disclosure of the attendance of orientation and refresh courses presented in Form of 56-1 One Report as required by the SEC is as follows;

Program	CFO	Chief Accountant <sup>2/</sup>
Orientation	✓	x
Refresh <sup>1/</sup>	✓	✓

<sup>1/</sup> In case of an in-house training or any other programs, please elaborate opinion of Audit Committees regarding the conformity between program content and benefit to the company, completeness of hours attendance including additional information of hours attendance especially in accounting contents.

<sup>2/</sup> In case of Chief Accountant, please state his/her qualification and conditions of being an chief accountant specified by Department of Business Development.

**Q23 : In the event that a CFO or Chief Accountant of listed company fails to meet the requirement of six-hour per year of continuing development course in accounting knowledge (Refresh Course), would it be an issue and what would be the consequences? What would be the disclosure requirements?**

A : A listed company is obligated to disclose qualification of the person taking highest responsibility in accounting and finance (Chief Financial Officer : CFO) or the person supervising accounting (Chief Accountant) in Form of 56-1 One Report. If CFO or Chief Accountant fails to comply with the training requirement as per applicable regulation, the listed company must disclose causes and remedy methods to enable shareholders or investors to realize that CFO or Chief Accountant have the obligation to continuously develop their knowledge of accounting standards in order to avoid negative impact on the reliability and quality of the listed company's financial reports. In addition, the listed company having a disqualified CFO or Chief Accountant is deemed as failure in compliance with Rules of Maintaining Listing Status. In such a circumstance, the SET may either issue a warning or disclose relevant information to investors through SET's disclosure system.

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## **Related Regulations**

### **SET's regulations**

- Bor Jor. (Wor) 4/2017: The specifications of qualifications for the person taking the highest responsibility in finance and accounting (Chief Financial Officer: CFO) and the person supervising accounting (Chief Accountant)
- Listing of Ordinary Shares or Preferred Shares as Listed Securities, B.E.2558 (2015)
- Listing of Securities, Disclosure of Information and Delisting of Securities in the "Market for Alternative Investment (mai)" B.E. 2560 (2017)
- Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company B.E. 2560 (2017)

### **Other organization's regulations**

- SEC letter no. 24/2560: Understanding CFO and Chief Accountant qualifications for listed companies
- Guidelines relevant to CFO and Chief accountant
- Notification of Capital Market Supervisory Board TorChor 44/2556: Rules, Conditions and Disclosures of information related to listed companies financial positions
- Form of 56-1 One Report (attached in 44/2556)