



Revenue Department News

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Subject : SMEs agree with the Revenue Department's Single Set Financial Statement measure

The Revenue Department held a seminar on “Single Set Financial Statements - Is It Really Good?” at Pra-Uthain 1 room, 2nd Floor, the Revenue Department Building on 1st April 2019. The seminar was presided over by **Dr. Ekniti Nitithanprapas, Director-General of The Revenue Department**. In the seminar, there was a demonstration on the registration in accordance with the Act regarding the exemption of tax penalty, surcharge and criminal liability B.E. 2562 (2019). On this occasion, **Mr. Kriengsak Prasongsukarn, Deputy Director-General**, joined the seminar with the representatives from four organizations which are the representative from Federation of Accounting Professions under the Royal Patronage of His Majesty the King, **Asst.Prof Dr. Theerachai Arunruangsirilert** (Committee and President of Accounting Profession Development Subcommittee), the representative from commercial Banks, **Mr. Photjanart Sangpruaksa** (Assistant Managing Director on Product and Entrepreneurship, Kasikorn Bank PCL.), the representative from Start-Up Entrepreneurs, **Dr. Thunthee Sukchoterat** (Chairman of the Executive Board, Legal Drive Co., Ltd.) and the representative from SMEs Entrepreneurs, **Mr. Chatchai Tungjittong** (CEO of Dreambase Interactive Co., Ltd.) in order to give viewpoints, experiences and opinions on the benefits of making a single set financial statements which is to have a financial budget that accurately reflects business turnover.

In the seminar, **Mr. ChatchaiTungjittong, SMEs Entrepreneur and Dr. Thunthee Sukchoterat, Start-Up Entrepreneur** agreed that the implementation of single set financial statements is easy to make and does not increase the cost for businesses due to the fact that SMEs and Start-Up businesses costs mostly derived from human costs rather than bookkeeping or tax costs. The advantages of making single set financial statement not only increases the credibility of the businesses and their investors, but also having an accurate financial budget reflects the expansion of businesses, being a guideline for everyone in the business to follow, provides information on investment expansions and helps in getting loans from banks conveniently.

Meanwhile, **Asst.Prof Dr. Theerachai Arunruangsirilert, the representative from Federation of Accounting Professions** commented that the implementation of single set financial statement is easy and uses fewer costs because the making of various sets financial statements is burdensome and causes many problems which are the resignations of accountants, corruptions in the organizations, inspections by the Revenue Department

Officers and uses higher costs than making a single set financial statement. Moreover, when the company has excessive cash in order to avoid submitting financial status of the bank to the Revenue Department will cause a disadvantage to such company. The auditor may have doubts about transactions and non-transparency of the company which might result in the non certification of financial statements.

In addition, **Mr. Photjanart Sangpruaksa, the representative from commercial banks** added that the enterprises who implements single financial statements will get direct advantages. They will be able to know their genuine financial status, have transparent financial statements and it will also affect the decisions of the investors. Moreover, the expansion of businesses will be easier and more convenient; commercial banks will evaluate the business as a good entrepreneur. This will result in those banks compete to provide loans to the businesses which the entrepreneurs can utilize such loans for businesses expansions in order to become a stable and sustainable entrepreneur.

Mr. Kriengsak Prasongsukarn, Deputy Director-General of the Revenue Department said that in the past, SMEs entrepreneurs misunderstood that “Tax is the cost of the enterprise”. Thus, the entrepreneur made various sets of financial statements, which each set served different purposes. Nevertheless, the making of various sets of financial statements will cause mistakes to the financial statement and it will not reflect a true condition of the enterprise. In addition from 1st January 2019, any transaction with bank requires a financial statement submitted to the Revenue Department, which many entrepreneurs are not able to correct and update such financial statements. Also, the Revenue Department applies the technology in analyzing and auditing taxes. When the tax auditor finds out that the entrepreneur evades tax, such entrepreneur is subjected to tax penalty, surcharge and criminal liability. In order to relieve SMEs entrepreneurs’ burden, the Revenue Department has a measure to support entrepreneurs to do bookkeeping and to correct their financial statements in accordance with their genuine financial situation. The single set financial statement does not only cause the entrepreneurs to know about their enterprises’ condition, but also it helps the entrepreneurs to have an accurate and credible financial statement which can be used for loaning from the banks.

Mr. Kriengsak Prasongsukarn, concluded that the measure which supports the entrepreneurs to correct their bookkeeping in accordance with the enterprises’ condition does not aim to collect more taxes. Instead, the measure’s objective is to allow SMEs entrepreneurs who have a misunderstanding or entrepreneurs who do not correctly do the accounting, be able to amend their mistakes. The Revenue Department gives an opportunity to SMEs entrepreneurs to register in “The System to Support the Entrepreneurs to do the account in relation with their genuine enterprises’ conditions”

which is in accordance with the Act regarding the exemption of tax penalty, surcharge and criminal liability B.E. 2562 (2019). The entrepreneurs are able to file their tax returns in order to make an adjustment and pay their taxes correctly from 1st April 2019 to 30th June 2019, and in the case there is an effect on the financial statement, such statement also will be adjusted. This measure will provide a business opportunity to the entrepreneurs who are willingly to correct themselves, the tax collection will be in a fairer manner and this will be a cooperation between the entrepreneurs and the Revenue Department. For the entrepreneurs who have an intention to evade taxes, the Revenue Department will enforce strict measures.

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