

Request for Specific Comments

Question 1 Do you agree with the IESBA's approach to addressing TP by creating two new Sections 380 and 280 in the Code as described in Section VI of this memorandum?

Answer Agreed. Because the work of Professional Accountants in Public Practice (PAPPs) and Professional Accountants in Business (PAIBs) should have a clear scope and framework for their practice regarding their clients' tax planning matters.

Question 2 Do you agree with IESBA's description of TP as detailed in Section VII. A above?

Answer Agree with the definition of the word "Tax Planning" as proposed. Because the definition covers the overall meaning of all forms of tax planning. However, the laid-out meaning of tax planning in the proposed definition might draw the interest of the public in having tax planning.

Question 3 Do you agree with IESBA's proposals as explained in Section VII.B above regarding the role of the PA in acting in the public interest in the context of TP?

Answer Agreed. There is a comprehensive analysis of the factors that determine the role of professional accountants (PAs) in the public interest, such as the ability to interpret the laws and regulations related to tax as well as using professional judgment to recognize and decide the complex issues of tax planning between countries with different jurisdictions.

Question 4 Do you agree with the IESBA's proposals regarding the thought process for PAs to determine that there is a credible basis in laws and regulations for recommending or otherwise advising on a TP arrangement to a client or an employing organization, as described in Section VII.E above?

Answer We opined that this section outlines the duties that Professional Accountants (PAs) should perform, which causes them to have an analysis of the law's reasonableness in providing tax planning advice to their clients which also increases the work efficiency of professional accountants (PAs). However, in practice, Professional Accountants (PAs) are employed and receive benefits from the employer, this may affect their independence in exercising their professional judgment or behavior.

Question 5 Are you aware of any other considerations, including jurisdiction-specific considerations, that may impact the proper application of the proposed provisions?

Answer From Thailand's overview perspective, some issues may affect the application of the provisions proposed in Section VII.E as follows:

1. Tax ruling or tax consultation of the Revenue Department is not regarded as a law and is not applicable in general. Therefore, taking tax consultations for analysis in consideration of suitability and impact on clients' tax planning may be uncertain and clear conclusions may not be reachable.
2. Disclosure: Most professional accountants (PAs) in Thailand are information providers on behalf of their clients. Therefore, the straightforward disclosures outlined in the revised provisions of this Code of Ethics may be impractical.
3. International transactions: Paragraph 59 discusses the complexities of international tax planning. Legal consulting services may have a wide range and variety of service scope and depends on the legal jurisdiction of each country, Professional Accountants (PAs) may have a limitation on the application of national law, international law, the Convention for Double Taxation Avoidance and Tax Evasion Prevention, or other international conventions related to taxes. Thus, it may be necessary to consult and seek advice from other professionals who practice under the laws of that country, which may be not feasible in practice.

Question 6 Do you agree with the proposals regarding the stand-back test, as described in Section VII.F above?

Answer Agreed. Because, in Thailand, there are study cases of related companies that planned to pay taxes in a small proportion or no tax to be paid. It affects reputation and social acceptance and causes damage widely to those who are related. Thus, the use of a stand-back test is beneficial in providing Professional Accountants (PAs) with comprehensive analytical thought in considering a client's tax planning.

Question 7 Do you agree with the IESBA's proposals as outlined in Section VII.G above describing the gray zone of uncertainty and its relationship to determining that there is a credible basis for the TP arrangement?

Answer Agreed. Because considering whether the customer's tax planning is appropriate or not. There are many factors, which are uncertain and may change over time and contexts, that need to be considered. Therefore, Professional Accountants (PAs) should clearly discuss issues with clients, so they have thorough information for making a decision.

Question 8 In relation to the application of the CF as outlined in Section VII.H above, is the proposed guidance on:

- (a) The types of threats that might be created in the gray zone;
- (b) The factors that are relevant in evaluating the level of such threats;
- (c) The examples of actions that might eliminate threats created by circumstances of uncertainty; and
- (d) The examples of actions that might be safeguards to address such threats sufficiently clear and appropriate?

Answer The fundamental principles are considered complete and appropriate. Considering the circumstances, identifying and evaluating threats created from the circumstances, and suggesting actions to eliminate the threats created as well as the safeguarding measurements are covered.

Question 9 Do you agree with the proposals outlined in Section VIII.I above which set out the various actions PAs should take in the case of disagreement with the client or with the PA's immediate superior or other responsible individual within the employing organization regarding a TP arrangement?

Answer Agreed. Professional accountants (PAs) should consider tax planning following tax laws and accounting principles. S/He should be conscious of the public interest as important. In the case where the client tends to have improper tax planning, Professional Accountants (PAs) are responsible for informing clients of a proper understanding of tax laws, accounting principles, risks, and potential consequences.

Question 10 Do you agree with the IESBA's proposals regarding documentation as outlined in Section VIIJ above?

Answer Agreed. However, certain documents which Professional Accountants (PAs) must communicate with their clients should be added, for example, relevant laws, rulings, and tax measures applied, including supporting evidence of the advice given by people, like experts, involved, and disclosure of information to tax authorities, etc.

Question 11 Do you agree with the IESBA's proposals as detailed in Section VII.K above addressing TP products or arrangements developed by a third party provider?

Answer Agreed. Professional Accountants (PAs) should provide clients with information about their tax planning program or model as an external service provider. So that clients have information to support their decision in choosing a tax planning program or model from the external service provider.

Question 12 Do you agree with the IESBA's proposals regarding a multi-jurisdiction tax benefit as described in Section VIIL above?

Answer Agreed. For the maximum benefit of their clients in considering appropriate tax planning which is also in compliance with relevant countries' tax laws, Professional Accountants (PAs) should study and analyze the differences in the international tax law of the relevant countries.

Question 13 Do you agree with the proposed consequential and conforming amendments to Section 321 as described in Section VII.M above?

Answer Agreed. For the sake of making tax planning more transparent and clearer.