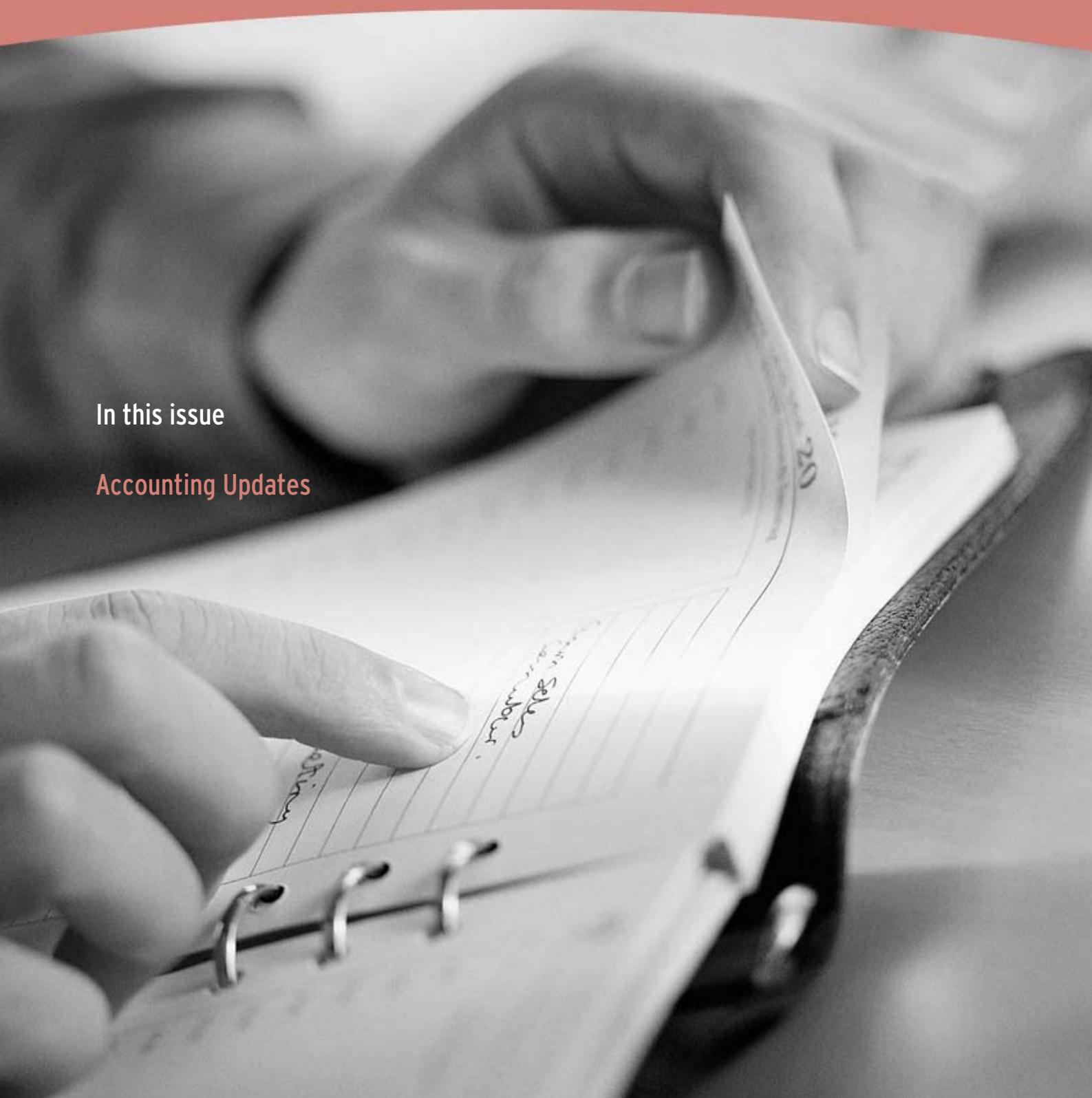


Call in for a Coffee

In this issue

Accounting Updates



Call in for a Coffee - Accounting News

Exposure Draft

Thai Accounting Standards No. 40 (revised 25xx), "Accounting for Investment in Debt and Equity Securities"

The Federation of Accounting Profession (FAP) has issued the exposure draft on Thai Accounting Standard No. 40, "*Accounting for Investment in Debt and Equity Securities*" (TAS 40). The exposure draft follows the International Accounting Standard IAS 39, "*Financial Instruments: Recognition and Measurement*" revised 2003 and proposes three different changes as follows:

- 1) The definitions of "Trading Security", "Available-for-sale Security", and "Held-to-maturity Debt Security" have been revised. The new definitions make it more specific that trading securities should be held only for the purpose of selling in the short term, should belong to a trading portfolio, or should show a recent pattern of short-term profit taking.
- 2) The exposure draft introduces the "Tainting Rule" for held-to-maturity investment. If more than an insignificant amount of held-to-maturity debt securities have been sold, transferred, or exercised a put option in any particular year, the company should not classify any financial assets as held-to-maturity for two following financial years.
- 3) More elaborate provisions on the impairment of investments are provided. Additional evidence indicating an impairment of investments held by a company includes information about:
 - a) Granting by the lender to the borrower, for economic or legal reasons to the borrower's financial difficulty, of a concession that the lender would not otherwise consider; and,
 - b) Recognition of impairment loss on a particular investment in a prior financial reporting period.

The exposure draft was closed for comments on July 25, 2006.

Dr Parporn Akathaporn
Parpatr-Dhurakijpundit Institute

RSM Nelson Wheeler Corporate Asia Group

The RSM Nelson Wheeler Corporate Asia Group provides advice to clients on Taxation, Accounting, Recruitment, Audit & Assurance, Work Permits & Visas, Company Set Ups and Corporate Advisory Services.

RSM Nelson Wheeler (Thailand) Limited is a member office of RSM International, a leading worldwide professional services firm.

The RSM Thai Office service line leaders are:

Corporate Advisory

Gareth.Hughes@rsmnw.com

Accounting & Tax Compliance

Mark.Butters@rsmnw.com

Executive Recruitment

Mike.Holloway@rsmnw.com

Business Services & Legal

Pardorn.Suchiva@rsmnw.com

Audit & Assurance

Prawit.Wipusirikup@rsmnw.com

Taxation Consulting

Steven.Herring@rsmnw.com

Audit & Assurance

Surachai.Damnoenwong@rsmnw.com

We welcome your comments and feedback. Please feel free to contact us on the details below:

RSM Nelson Wheeler (Thailand)
26th Floor, Sathorn City Tower
175 South Sathorn Road
Bangkok 10120
Thailand

T: +66 (0) 2670-9002-6

F: +66 (0) 2670 9027-8

E: askus.bangkok@rsmnw.com

W: www.rsmnelsonwheeler.co.th