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A Guide to the Indonesian Financial Accounting Standards 2024

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Abbreviation

IAI	Institute of Indonesia Chartered Accountants
DSAK	Indonesian Financial Accounting Standards Board
DSAS	Sharia Financial Accounting Standards Board
TF CCR IAI	IAI's Comprehensive Corporate Reporting Task Force
PSAK	Indonesian Financial Accounting Standards issued by DSAK-IAI
ISAK	Interpretation of PSAK issued by DSAK-IAI
IASB	International Accounting Standards Board
KSPKI	Indonesian Financial Reporting Standards Framework
IFRS IC	IFRS Interpretations Committee
SIC	Standing Interpretations Committee
IFRS	International Financial Reporting Standards issued by the IASB
IAS	International Accounting Standards issued by the IASB
IFRIC	Interpretation of IFRS issued by the IFRS IC

Introduction

The purpose of this publication is to provide a roundup of the recent changes in the Indonesian financial accounting standards which we believe are important to accounting and audit professionals.

In this edition, we provide:

- Summary of the new and revised PSAK which are effective for annual reporting periods beginning on or after 1 January 2024, organised by effective dates.
- Practical guide to the new and revised PSAK which are effective for annual reporting periods beginning on or after 1 January 2024.
- Brief description on forthcoming new and/or revised PSAK that issued but are not yet effective for annual reporting periods on or after 1 January 2024.
- Comparison of PSAK against IFRS.
- Other financial reporting matters.

For new and revised PSAK that issued but are not effective yet for annual reporting on or after 1 January 2024, the entities will need to consider and disclose in their current financial statements, the possible effects that these new and revised PSAKs might have in the period of initial application.

The overall contents of this publication cover only for one pillar in PSAK which is *Standar Akuntansi Keuangan Indonesia* ("SAK Indonesia") since it is generally applied by Indonesian reporting entities. However, there are forthcoming updates for other pillars which are *SAK Entitas Privat* ("SAK EP") and *SAK Internasional* to align with IFRS updates. In addition, on 13 November 2023, DSAK-IAI announced updates to the numbering of individual PSAKs and ISAKs which become effective on and after 1 January 2024. The details of the new numbering are provided in the Section 2.

Lastly, this publication also lists down the topics covered in Buletin Implementasi published by DSAK-IAI until the date of this publication, which are Buletin Implementasi Volume 1 up to 5.

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Section 1: Indonesian Financial Accounting Standards

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Summary of new and revised standards or interpretations effective for annual reporting periods on or after 1 January 2024

PSAK	Title	Effective date
Amendments to PSAK 116 (previously known as PSAK 73)	*Lease Liability in a Sale and Leaseback Transaction*	**1 January 2024**
Amendments to PSAK 201 (previously known as PSAK 1)	*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*	
Amendments of PSAK 207 and amendments of PSAK 107 (previously known PSAK 2 and PSAK 60)	*Cash flow statements and financial instruments: Disclosure - Supplier finance arrangements*	
Amendments to PSAK 409**	*Accounting for Zakat, Infaq, and Alms*	
Amendments to PSAK 401**	*Sharia Financial Statements Presentation*	
PSAK 117 (previously known as PSAK 74)	*Insurance Contracts*	**1 January 2025**
Amendments to PSAK 117 and PSAK 109 (previously known as PSAK 71)	*Initial Application of PSAK 117 and PSAK 109 - Comparative Information*	
Amendments to PSAK 221 (previously known as PSAK 10)	*The effects of changes in foreign exchange rates - Lack of exchangeability*	
Amendments to PSAK 413**	*Impairment*	**1 January 2027**

* Annual reporting periods beginning on or after

** The new sharia standards will not be covered in this publication

Practical guide to the new and revised PSAK effective for annual reporting periods on or after 1 January 2024

Amendments to PSAK 116 - Lease Liability in a Sale and Leaseback

The IFRS IC received a submission about the application of IFRS 16 to a sale and leaseback transaction with variable payments that do not depend on an index or rate. After discussing the issue, IFRS IC concluded that it would be beneficial to amend IFRS 16 to specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in the sale and leaseback transaction. The IASB followed that recommendation and published amendments to IFRS 16.

In respond to the above, DSAK-IAI published Buletin Implementasi Volume 1 in 2023 which, one of the topics, is referring to agenda decision of IFRS IC above. Furthermore, DSAK-IAI also has issued the amendment of PSAK 116 in November 2022 following the amendments of IFRS 16.

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in PSAK 115 (previously known as PSAK 72) *Revenue from Contracts with Customers* to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right-of-use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease.

Without these new requirements, a seller-lessee may have recognised a gain on the right-of-use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in PSAK 116. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, an Illustrative Example in PSAK 116 is amended and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying PSAK 109 (previously known as PSAK 71), is a lease liability.

Impact

Any entity that has entered into, or might enter into, a sale and leaseback transaction for which the lease payments include variable payments that do not depend on an index or rate could be impacted by these amendments.

Effective date and transition

- The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.
- A seller-lessee applies the amendments retrospectively in accordance with PSAK 208 (previously known as PSAK 25) to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied PSAK 116.

Observation

ED/2020/4 *Lease Liability in a Sale and Leaseback* proposed that a seller-lessee initially measures the right-of-use asset and lease liability arising from a leaseback using the present value of expected lease payments at the commencement date. Respondents raised conceptual and practical concerns about that proposal. The IASB therefore decided not to prescribe specific measurement requirements for lease liabilities arising from a leaseback.

Amendments to PSAK 201 – Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

In 2020, DSAK-IAI issued amendment of PSAK 201 (2020 amendments) titled *Classification of Liabilities as Current or Non-current*. DSAK-IAI clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. In addition, the 2020 amendments specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with specified conditions (in the amendments referred to as 'covenants') within twelve months after the reporting period. The key changes introduced by the 2020 amendments are:

- A clarification was added in both PSAK 201:69 and 73 to emphasise that for a liability to be classified as non-current, the entity's right to defer settlement must exist 'at the end of the reporting period'.
- A clarification in which for a liability to be non-current an assessment is required of whether an entity has the right to defer settlement of a liability and not whether the entity will exercise that right.
- The word 'unconditional' was removed from paragraph 69 and a new paragraph was added to clarify that if the right to defer settlement is conditional on the compliance with covenants the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date.
- A definition of the word 'settlement' was added and states "For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability." This transfer could be of cash, goods and services or the entity's own equity instruments.
- The circumstances when counterparty conversion options affect classification as current or non-current were clarified.

In 2022, DSAK-IAI issued amendment of PSAK 201 (2022 amendments) titled Non-current Liabilities with Covenant. The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The right to defer settlement is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Impact

These amendments of PSAK 201 should not significantly affect the classification of liabilities as current or non-current. However, there are additional disclosures as required by 2022 amendments.

Effective date and transition

The 2022 amendments will be effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with PSAK 208, earlier application is permitted. If an entity adopts the 2022 amendments for an earlier period, it is also required to early adopt the 2020 amendments. At the same time, the effective date of the 2020 amendments is aligned to 1 January 2024 by DSAK-IAI. An entity that applies the 2020 amendments after the publication of the 2022 amendments is required to also apply the 2022 amendments for that period.

Observation

In the Exposure Draft (ED) preceding the 2022 amendments, the IASB proposed to require an entity to present non-current liabilities with covenants separately in the statement of financial position. The main reason for this proposal was to avoid users of financial statements being misled by a non-current classification without any indication that the liability could become repayable within twelve months.

However, feedback on the ED suggested that users of financial statements would not be misled if the conditionality of non-current liabilities were explained in the notes instead of through separate presentation of these liabilities in the statement of financial position. Therefore, the IASB decided not to finalise this proposal.

Amendments of PSAK 207 and amendments of PSAK 107 - *Cash flow statements and Financial instruments: Disclosure - Supplier finance arrangements*

In December 2020, the IFRS IC published an agenda decision on supply chain financing arrangements which explains the requirements in IFRS Accounting Standards that apply to such arrangements. Feedback on the draft agenda decision suggested that the information an entity is required to provide about this form of financing falls short of meeting user information needs. The IASB considered this feedback and decided to address the issue by amending IAS 7 and IFRS 7.

DSAK-IAI published Buletin Implementasi Volume 2 in 2023 which one of the topics is referring to agenda decision of IFRS IC above. Furthermore, DSAK-IAI also has issued the amendment of PSAK 207 and PSAK 107 in December 2023 following the amendments of IAS 7 and IFRS 7.

Amendments to PSAK 207

The amendments add a disclosure objective to PSAK 207 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and the entity's exposure to liquidity risk.

Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements.

Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements.

To meet the disclosure objective set out above, an entity is required to disclose in aggregate for its supplier finance arrangements:

a. The terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided). However, an entity is required to disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.
b. As at the beginning and end of the reporting period:
    i. The carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.
    ii. The carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.
    iii. The range of payment due dates (for example, 30-40 days after the invoice date) for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement. Comparable trade payables are, for example, trade payables of the entity within the same line of business or jurisdiction as the financial liabilities disclosed under (i). If ranges of payment due dates are wide, an entity is required to disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges).
c. The type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents..

Amendments to PSAK 107

Under the existing Application Guidance in PSAK 107, an entity is required to disclose a description of how it manages the liquidity risk resulting from financial liabilities. The amendments include as an additional factor whether the entity has accessed, or has access to, supplier finance arrangements that provide the entity with extended payment terms or the entity's suppliers with early payment terms.

In the Guidance on implementing PSAK 107, the amendments add that concentrations of liquidity risk and market risk may arise from supplier finance arrangements resulting in the entity concentrating with finance providers a portion of its financial liabilities originally owed to suppliers.

Impact

The entities which entered supplier finance arrangements need to provide the new disclosures if they are material. The disclosure requirements in the (b) (i) and (ii) are the most challenging since the entities need to properly assess the presentation of liabilities that part of supplier finance arrangement in the statement of financial position and develop new control and processes to identify necessary information.

A comprehensive assessment of the arrangement should be made to determine the nature and substance of the liability which exist in respect of a supplier finance arrangement. The new control and processes need to in place i.e., for tracking the progress payment for liabilities that part of supplier finance arrangements.

Effective date and transition

An entity is required to apply the amendments to PSAK 207 for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If an entity applies the amendments for an earlier period, it is required to disclose that fact.

In applying the amendments, an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies the amendments
- The information otherwise required under (b)(ii)-(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments
- The information otherwise required by the amendments to PSAK 207 for any interim period presented within the annual reporting period in which the entity first applies those amendments.

An entity is required to apply the amendments to PSAK 107 when it applies the amendments to PSAK 207.

Observation

Some respondents to the 2021 Supplier Finance Arrangements Exposure Draft (ED) informed that the information necessary to disclose the carrying amounts, and associated line items, of financial liabilities that are part of supplier finance arrangements for which suppliers have already received payment from finance providers might not be readily available.

Other stakeholders, particularly users of financial statements, informed that without this disclosure, the information provided would be incomplete and would fail to satisfy user information needs.

New and revised PSAK issued but not yet effective for annual reporting period on or after 1 January 2024

PSAK 117 *Insurance Contracts*

In November 2020, DSAK-IAI has issued PSAK 117 *Insurance Contracts* which supersedes PSAK 104 (previously known as PSAK 62) Insurance Contracts, establishes the requirements for recognition, measurement, presentation, and disclosure of insurance contracts. In 1addition, DSAK-IAI has issued further amendment of PSAK 117 in December 2021 about Initial Application of PSAK 117 and PSAK 109 – Comparative information.

Scope

PSAK 117 Insurance Contracts is the accounting standard that applies to insurance contracts regardless of the issuer, i.e. PSAK 117 does not apply only to insurance or reinsurance entities. This means that some contracts entered into by non-insurers may be in the scope of PSAK 117 and consequently will need to be accounted for using the requirements in PSAK 117. An entity shall apply PSAK 117 to:

- Insurance contracts, including reinsurance contracts, it issues;
- Reinsurance contracts it holds; and
- Investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such issued contracts are in the scope of the standard, unless an entity chooses to apply PSAK 115 to these contracts, provided certain criteria in PSAK 117 paragraph 8 is met.

An investment contract with Direct Participating Feature ("DPF") is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of PSAK 117 only if the issuer also issues insurance contracts. The requirements in PSAK 117 are modified for such investment contracts.

An insurance contract may contain one or more distinct components that would be within the scope of other standards if they were separate contracts. PSAK 117 provides criteria to determine when the non-insurance component is distinct from the host insurance contract. PSAK 109 should be applied to determine whether there is an embedded derivative to be separated and how to account for such a derivative. Many insurance contracts contain investment component, defined as amounts payable to policyholders irrespective of insured events occurring. An investment component should be separated from host insurance contract, if that investment component is distinct, with separated element accounted under PSAK 109. An obligation to sell non-insurance goods and services should be separated from a host insurance contract and accounted for under PSAK 115.

Level of aggregation

PSAK 117 requires entities to identify portfolios of insurance contracts which are subject to similar risks and managed together. Each portfolio shall be divided into a minimum of three groups:

- a group of contracts that are onerous at initial recognition, if any;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- a group of the remaining contracts in the portfolio, if any.

An entity is not permitted to include contracts issued more than one year apart in the same group. Furthermore, if a portfolio falls into different groups only because law or regulation constrains the entity's practical ability to set a different price or level of benefits for policyholders with different characteristics, the entity may include those contracts in the same group. The groups are established at the inception of the contracts and not subsequently reassessed.

Recognition

An entity shall recognise a group of insurance contracts it issues from the earliest of the following:

a. the beginning of the coverage period of the group of contracts;

b. the date when the first payment from a policyholder in the group becomes due; and

c. for a group of onerous contracts, when the group becomes onerous.

Measurement

The standard measures insurance contracts either under the general model or a simplified version called the Premium Allocation Approach.

The general model is defined such that at initial recognition, an entity shall measure a group of contracts at the total of:

- the amount of fulfilment cash flows (“FCF”), which comprise probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money (“TVM”) and the financial risks associated with those future cash flows and a risk adjustment for non-financial risk; and
- the contractual service margin (“CSM”).

An entity shall include all the future cash flows within the boundary of each contract in the group. The estimates of future cash flows shall be current, explicit, unbiased, and reflect all the information available to the entity without undue cost and effort about the amount, timing and uncertainty of those future cash flows. The discount rate applied to the estimate of cash flow shall reflect the time value of money, the characteristics of cash flows and liquidity characteristics of the insurance contracts. They should be consistent with observable market prices of those financial instruments whose cash flow characteristics are consistent with those of the insurance contracts, but shall not reflect risks that do not present in insurance contract.

On subsequent measurement, the carrying amount of a group of insurance contracts shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the FCF related to future services and the CSM of the group at that date. The liability for incurred claims is measured as the FCF related to past services allocated to the group at that date, includes also a liability for claims incurred but not yet reported.

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach on the condition that, at initial recognition, the entity reasonably expects that doing so would produce a reasonable approximation of the general model, or the coverage period of each contract in the group is one year or less.

Presentation

The new standard is expected to result in significant changes to presentation in the statement of financial performance. It requires more granular and detailed disclosures in financial statements given the high degree of judgement in the standard.

Effective date and transition

PSAK 117 is effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted if PSAK 109 has also been applied. Three possible approaches are introduced to transition to PSAK 117, including Full Retrospective Approach, Modified Retrospective Approach and Fair Value Approach.

Amendments to PSAK 117 I*nitial Application of PSAK 117 and PSAK 109 - Comparative Information*

Many insurers have elected to apply the temporary exemption that allows them to defer the adoption of PSAK 109 Financial Instruments until they apply PSAK 117. However, the two Standards have different requirements with respect of the comparative information presented on initial application. PSAK 117 requires entities to present at least one restated comparative period, while PSAK 109 permits (but does not require) restatement of comparative periods. PSAK 109 prohibits entities from applying PSAK 109 to financial assets derecognised before the date of initial application of PSAK 109.

In December 2021, the DSAK-IAI issued a narrow-scope amendment to the transition requirements of PSAK 117 for entities that first apply PSAK 117 and PSAK 109 at the same time. The amendment relates to financial assets for which comparative information presented on initial application of PSAK 117 and PSAK 109 has not been restated (including financial assets that have been derecognised in the comparative period) under PSAK 109.

Applying the amendment, an entity is permitted to present comparative information about such financial assets as if the classification and measurement requirements of PSAK 109 had been applied to the financial assets. The option is available on an instrument-by-instrument basis.

In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PSAK 109.

Effective date and transition

The amendment is effective for annual reporting period on or after 1 January 2025. The amendment is also available for entities that have applied PSAK 109 before they apply PSAK 117. For these entities, the classification overlay applies to financial assets that have been derecognised in the comparative period and permits an entity to apply the redesignation requirements of PSAK 117 based on how the entity expects the assets would have been designated at initial application of PSAK 117.

Amendments to PSAK 221 *Lack of Exchangeability*

DSAK-IAI has published amendments to PSAK 221 that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not. Applying the amendments, a currency is exchangeable when an entity is able to exchange that currency for the other currency through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. However, a currency is not exchangeable into the other currency if an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose.

When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Effective date and transition

Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2025 with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

Summary of key differences between SAK Indonesia and IFRS

PSAK and ISAK under SAK Indonesia pillar which are issued by DSAK-IAI are aligned with the IFRS and interpretations issued by the IASB and the IFRS IC, respectively, in all significant respects. The key differences between PSAK and IFRS for annual reporting period beginning on or after 1 January 2024 are as below:

IFRS		PSAK (using new numbering – see Section 2 for the detail)		Key differences
IFRS 1	*First-time Adoption of International Financial Reporting Standards*	-	No equivalent standard in PSAK	There is no equivalent standard in SAK Indonesia pillar. However, Peraturan Otoritas Jasa Keuangan (POJK) No. 26 tahun 2023 tentang *Pengguna Standar Akuntansi Keuangan Internasional (SAK Internasional) di Pasar Modal* has been issued by OJK to regulate the usage of *SAK Internasional*. *SAK Internasional* could be used as reporting framework for general purposes financial statements for an entity which meet the criteria: a listed entity incorporated and domiciled in Indonesia with equity instrument listed in Indonesia Stock Exchange (IDX) and other stock exchange(s) in other territory(ies), and the entity opts to apply *SAK Internasional* as reporting framework for general purposes financial reporting. Therefore, for Indonesian entities which met the requirements under POJK 26, PSAK(i) 101 (equivalent IFRS 1 under *SAK Internasional*) will be applied for first time adoption.
IFRS 2	*Share-based Payment*	PSAK 102	*Share-based Payment*	
IFRS 3	*Business Combinations*	PSAK 103	*Business Combinations*	

IFRS 4	*Insurance Contracts*	PSAK 104	*Insurance Contracts*	IASB has issued IFRS 17 effective for annual reporting period beginning on or after 1 January 2023 and supersede IFRS 4. DSAK-IAI has issued PSAK 117 that will be effective on 1 January 2025 and will supersede PSAK 104, PSAK 328 and PSAK 336; early application is permitted. PSAK 328 and 336 are complementary to the requirements in PSAK 114. There are no standards in IFRS/IAS which are equivalent to PSAK 328 and 336.
		PSAK 328	*Accounting for loss insurance*	
		PSAK 336	*Accounting for life insurance*	
IFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	PSAK 105	*Non-current Assets Held for Sale and Discontinued Operations*	
IFRS 6	*Exploration for and Evaluation of Mineral Resources*	PSAK 106	*Exploration for and Evaluation of Mineral Resources*	
IFRS 7	*Financial Instruments: Disclosures*	PSAK 107	*Financial Instruments: Disclosures*	
IFRS 8	*Operating Segments*	PSAK 108	*Operating Segments*	
IFRS 9	*Financial Instruments*	PSAK 109	*Financial Instruments*	
IFRS 10	*Consolidated Financial Statements*	PSAK 110	*Consolidated Financial Statements*	PSAK 65 is consistent with IFRS 10 in all significant respects, except for the exception to prepare consolidated financial statements for the parent entity as stipulated in IFRS 10 paragraph 4 (a).
IFRS 11	*Joint Arrangements*	PSAK 111	*Joint Arrangements*	
IFRS 12	*Disclosure of Interests in Other Entities*	PSAK 112	*Disclosures of Interest in Other Entities*	
IFRS 13	*Fair Value Measurement*	PSAK 113	*Fair Value Measurement*	

IFRS 14	*Regulatory deferral accounts*	-	No equivalent standard under PSAK	IFRS 14 is applicable to entities that apply IFRS 1 as first-time adopters of IFRS. It permits such entities, on adoption of IFRS, to continue to apply their previous GAAP accounting policies for the recognition, measurement, impairment, and de-recognition of regulatory deferral accounts. IFRS 14 will applicable if Indonesian reporting entity first time adopts SAK International.
IFRS 15	*Revenue from contract with customers*	PSAK 115	*Revenue from contract with customers*	
IFRS 16	*Leases*	PSAK 116	*Leases*	
IFRS 17	*Insurance Contracts*	PSAK 117	*Insurance Contracts*	PSAK 117 is consistent with IFRS 17 in all significant respects and effective from 1 January 2025 (early application is permitted), while for IFRS reporters, the standard is effective on 1 January 2023.

IAS 1	*Presentation of Financial Statements*	PSAK 201	*Presentation of Financial Statements*	Several differences noted as below: • PSAK 201 defines that Indonesian Financial Accounting Standard consists of the Statements of Financial Accounting Standards that are issued by DSAK-IAI and DSAS-IAI, their interpretations and financial reporting rules issued by capital market authorities. IAS 1 defines IFRS as Standards and Interpretations adopted by IASB which comprise IFRS, IAS and its interpretation. In addition, IAS 1 does not include shariah accounting standards and financial reporting rules issued by capital market authorities. • Under PSAK 201, where compliance with the PSAK would be so misleading that it would conflict with the objectives of the financial statements, an entity is not allowed to depart from the relevant standards; however it may disclose the fact that: (a) the application of those standards would be misleading and (b) an alternative reporting basis should be applied to achieve fair presentation of the financial statements. IAS 1, under similar circumstances, allows for departure from the prevailing standards. • PSAK 1 states that management is responsible for preparation and presentation of financial statements.
IAS 2	*Inventories*	PSAK 202	*Inventories*	
IAS 7	*Statement of Cash Flows*	PSAK 207	*Statement of Cash Flows*	
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors*	PSAK 208	*Accounting Policies, Changes in Accounting Estimates and Errors*	

IAS 10	*Events after the Reporting Period*	PSAK 210	*Events after the Reporting Period*	IAS 10 requires disclosure in cases where owners or other parties have the power to amend financial statements after issue. PSAK does not require such disclosure.
IAS 12	*Income Taxes*	PSAK 212	*Income Taxes*	
IAS 16	*Property, Plant and Equipment*	PSAK 216	*Property, Plant and Equipment*	
IAS 19	*Employee Benefits*	PSAK 219	*Employee Benefits*	
IAS 20	*Accounting for Government Grants and Disclosure of Government Assistance*	PSAK 220	*Accounting for Government Grants and Disclosure of Government Assistance*	
IAS 21	*The Effects of Changes in Foreign Exchange Rates*	PSAK 221	*The Effects of Changes in Foreign Exchange Rates*	
IAS 23	*Borrowing Costs*	PSAK 223	*Borrowing Costs*	
IAS 24	*Related Party Disclosures*	PSAK 224	*Related Party Disclosures*	
IAS 26	*Accounting and Reporting by Retirement Benefit Plans*	PSAK 226	*Accounting and Reporting by Retirement Benefit Plans*	
IAS 27	*Separate Financial Statements*	PSAK 227	*Separate Financial Statements*	PSAK 227 is consistent with IAS 27 in all significant respects, except that PSAK 227 does not allow a parent entity to present its own separate financial statements as standalone general purpose financial statements. PSAK 227 stipulates that the separate financial statements have to be presented as supplementary information to the consolidated financial statements.

IAS 28	*Investments in Associates and Joint Ventures*	PSAK 228	*Investments in Associates and Joint Ventures*	IAS 28 provides an exemption from applying the equity method of accounting for its associates or joint venture if the parent is exempt from preparing consolidated financial statements by the scope exception in IFRS 10 paragraph 4 (a). Such scope exception is not adopted in PSAK 110.
IAS 29	*Financial Reporting in Hyperinflationary Economies*	PSAK 229	*Financial Reporting in Hyperinflationary Economies*	
IAS 32	*Financial Instruments: Presentation*	PSAK 232	*Financial Instruments: Presentation*	
IAS 33	*Earnings per Share*	PSAK 233	*Earnings per Share*	
IAS 34	*Interim Financial Reporting*	PSAK 234	*Interim Financial Reporting*	PSAK 234 is consistent with IAS 34 in all significant respects. However, under the prevailing capital market regulations, listed companies are required only to report cumulative year-to-date information (and related comparatives) for the Statement of Comprehensive Income (“SoCI”) and are not required to present current interim period SoCI
IAS 36	*Impairment of Assets*	PSAK 236	*Impairment of Assets*	
IAS 37	*Provisions, Contingent Liabilities and Contingent Assets*	PSAK 237	*Provisions, Contingent Liabilities and Contingent Assets*	
IAS 38	*Intangible Assets*	PSAK 238	*Intangible Assets*	
IAS 40	*Investment Property*	PSAK 240	*Investment Property*	
IAS 41	*Agriculture*	PSAK 241	*Agriculture*	

IFRIC/SIC		ISAK (using new numbering – see Section 2 for the detail)		Key differences
IFRIC 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	ISAK 101	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	
IFRIC 2	*Members' Shares in Cooperative Entities and Similar Instruments*		No equivalent interpretation	IFRIC 2 is not adopted since cooperatives in Indonesia do not issue shares to their members.
IFRIC 5	*Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*		No equivalent interpretation	IFRIC 5 is not adopted.
IFRIC 6	*Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*		No equivalent interpretation	IFRIC 6 is not adopted.
IFRIC 7	*Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*	ISAK 107	*Applying the Restatement Approach under PSAK 229 Financial Reporting in Hyperinflationary Economies*	
IFRIC 10	*Interim Financial Reporting and Impairment*	ISAK 110	*Interim Financial Reporting and Impairment*	
IFRIC 12	*Service Concession Arrangements*	ISAK 112	*Service Concession Arrangements*	
IFRIC 14	*IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	ISAK 114	*PSAK 219 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*	ISAK 116	*Hedges of a Net Investment in a Foreign Operation*	

IFRIC 17	*Distributions of Non-cash Assets to Owners*	ISAK 117	*Distributions of Non-cash Assets to Owners*	
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*	ISAK 119	*Extinguishing Financial Liabilities with Equity Instruments*	
IFRIC 20	*Stripping costs in the production phase of a surface mine*	ISAK 120	*Stripping costs in the production phase of a surface mine*	
IFRIC 21	*Levies*	ISAK 121	*Levies*	
IFRIC 22	*Foreign currency transactions and advance consideration*	ISAK 122	*Foreign currency transactions and advance consideration*	
IFRIC 23	*Uncertainty over income tax treatments*	ISAK 123	*Uncertainty over income tax treatments*	
SIC-7	*Introduction of the Euro*		No equivalent interpretation	SIC 7 is not adopted. For IFRS reporters, it is effective from 1 January 1998.
SIC-10	*Government Assistance No Specific Relation to Operating Activities*	ISAK 210	*Government Assistance No Specific Relation to Operating Activities*	
SIC-25	*Income Taxes Changes in the Tax Status of an Entity or its Shareholders*	ISAK 225	*Income Taxes Changes in the Tax Status of an Entity or its Shareholders*	

There are other specific PSAKs and ISAKs that have no equivalent standards under IFRS:

- PSAK 338: "*Kombinasi Bisnis Entitas Sepengendali*"/ Accounting for Business Combination Under Common Control Entities
- PSAK 370: "*Akuntansi Aset dan Liabilitas Pengampunan Pajak*"/Accounting for Tax Amnesty Assets and Liabilities
- ISAK 331: "*Interpretasi atas Ruang Lingkup PSAK 240: Properti Investasi*"/Interpretation on the scope of PSAK 240: Investment Property
- ISAK 332: "*Definisi dan Hierarki Standar Akuntansi Keuangan*"/Definition and Hierarchy of Financial Accounting Standards
- ISAK 335: "*Penyajian Laporan Keuangan Entitas Berorientasi Nonlaba*"/Presentation of Financial Statements for Non-profit Oriented Entities
- ISAK 336: "*Interaksi antara Ketentuan Mengenai Hak atas Tanah dalam PSAK 216: Aset Tetap dan PSAK 116: Sewa*"/Interaction Between Standard of Land Rights in PSAK 216: Fixed Assets and PSAK 116: Leases
- Sharia accounting standards and interpretations.

Section 2: Other financial reporting matters

Section 2: Other financial reporting matters

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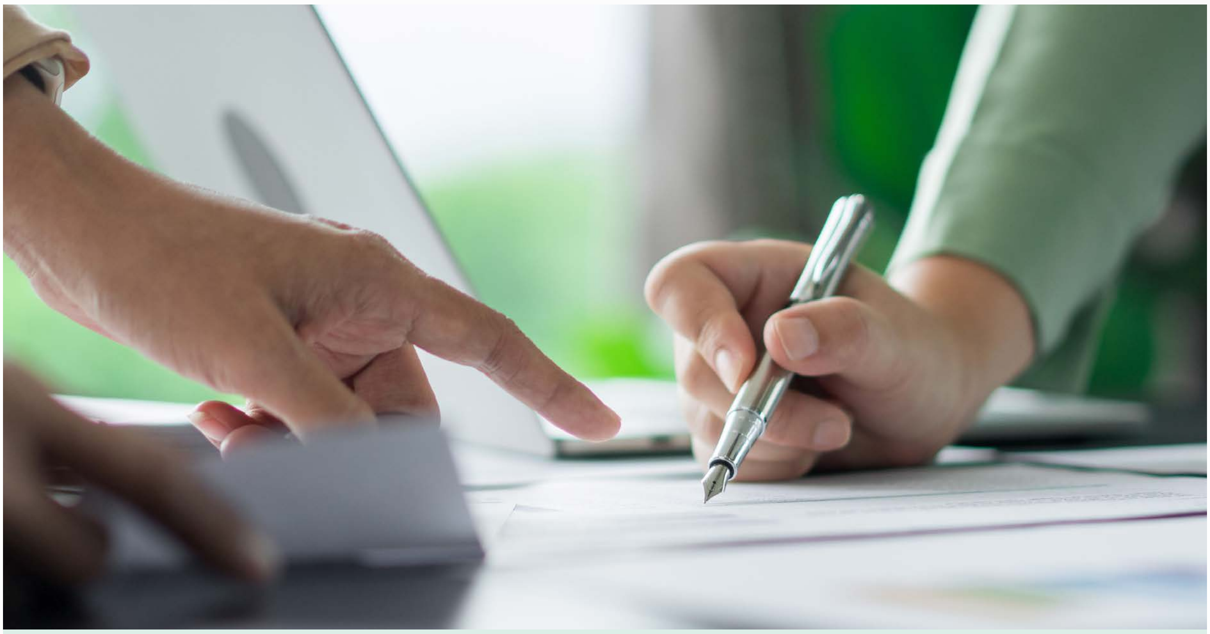

DSAK-IAI has published Buletin Implementasi as the non-standard products that documents several IFRIC Agenda Decisions that DSAK-IAI considered applicable in Indonesia and local accounting issues raised to the DSAK-IAI. In the introduction of the Buletin Implementasi and also during the socialization, DSAK-IAI emphasised that Buletin Implementasi do not add or change requirements in the existing accounting standards. The information included in the Buletin Implementasi should be regarded as explanatory materials that derive its authority from the accounting standards themselves. The preparer of financial statements also needs to be aware that the explanation in the Buletin Implementasi is related to the application of the principles and requirements in accounting standards to a specific transaction or fact pattern and may not be applicable or may use as analogy to the other circumstances which are not similar to the fact pattern in the Buletin Implementasi.

Similar to IFRIC Agenda Decisions, each Buletin Implementasi do not contain an effective date or transition provisions, rather they are to be implemented immediately.

As of the issuance date of this publication, there are five editions of Buletin Implementasi. The first and second editions contain summary of IFRIC Agenda Decisions and the third until fifth editions contain local accounting issues raised to DSAK-IAI. The following table provides issues that are documented in the Buletin Implemetasi Volume 1 – 5:

No.	Issue	Accounting standards	Description
Buletin Implementasi Vol 1			
1	Presentation of interest revenue for particular financial instruments	PSAK 201 and PSAK 109	The question discussed is whether the requirement in PSAK 201 to present separately interest revenue calculated using the effective interest method affects the presentation of fair value gains and losses on derivative instruments that are not part of a designated and effective hedging relationship. It was concluded that this requirement applies only to those assets that are subsequently measured at amortised cost or fair value through other comprehensive income (subject to any effect of a qualifying hedging relationship applying the hedge accounting requirements in PSAK 109).
2	Lease Term and Useful Life of Leasehold Improvements	PSAK 216 and PSAK 116	The agenda decision discusses: 1) How to determine the lease term of a cancellable lease or a renewable lease and 2) Whether the useful life of any related non-removable leasehold improvements is limited to the lease term determined applying PSAK 116. It is observed that in determining the enforceable period of the lease, an entity considers: the broader economics of the contract, and not only contractual termination payments and whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. It was also confirmed that reporting entities should apply paragraphs 56–57 of PSAK 216 in determining the useful life of non-removable leasehold improvements. If the lease term of the related lease is shorter than the economic life of those leasehold improvements, the entity considers whether it expects to use the leasehold improvements beyond that lease term. If the entity does not expect to use the leasehold improvements beyond the lease term of the related lease, then, applying paragraph 57 of PSAK 216, it concludes that the useful life of the non-removable leasehold improvements is the same as the lease term.

3	Over Time Transfer of Constructed Good	PSAK 223	The discussion is around the capitalisation of borrowing costs, based on a specific fact pattern, in relation to construction of residential multi-unit real estate development, specifically whether there are qualifying assets. It was concluded that the receivable, contract asset and inventory (work-in-progress) for unsold units under construction that the entity recognises are not a qualifying asset.
4	Financial Assets Eligible for the Election to Present Changes in Fair Value in OCI	PSAK 109	The discussion is around the applicability of presentation election for an entity to present subsequent changes in fair value of financial assets in other comprehensive income, rather than profit or loss, if the issuer would classify them as equity applying paragraphs 16A–16D of PSAK 232. It was concluded that those financial instruments are not eligible for such a presentation election because those do not meet the definition of an equity instrument in PSAK 232.
5	Curing of a Credit-impaired Financial Asset	PSAK 109	The issues addressed in this agenda is about how an entity presents amounts recognised in statement of profit or loss when a credit-impaired financial asset is subsequently cured – as interest revenue or, instead, as a reversal of impairment losses. It was concluded that, in the statement of profit or loss, an entity is required to present the difference described in the request as a reversal of impairment losses.
6	Credit enhancement in the measurement of ECL	PSAK 109	This clarifies that the cash flows expected from a financial guarantee contract, or any other credit enhancement cannot be included in the measurement of expected credit losses if the credit enhancement is required to be recognised separately using PSAK Standards.

7	Revenue recognition in a real estate contract	PSAK 115	The discussion addresses the question regarding assessment whether the revenue should be recognised over time for the sales of a unit in a residential multi-unit complex. It was observed, in connection with the specific fact pattern submitted, that the entity did not control the real estate unit as it was being constructed, because it did not clearly have the power to direct the use of the unit. Also, it was observed that legal precedent provided evidence that the entity did not have an enforceable right to payment for work completed to date if the customer were to cancel the contract.
8	Revenue recognition in a real estate contract that includes the transfer of land	PSAK 115	This addressed the factors to consider when identifying the performance obligations in a real estate contract that includes the transfer of land. These factors could help an entity to determine whether the promise to transfer land is a separate performance obligation. It was observed that PSAK 115 requires an entity to consider whether the entity provides a significant service of integrating the land and the building into a combined output and whether the land and the building are highly interdependent or highly interrelated.
9	Right to payment for performance completed to date	PSAK 115	This decision addresses the existence of an enforceable right to payment in a contract for the sale of a unit in a residential multi-unit complex (real estate unit). A situation was considered in which the entity had a right, under the contract with the customer, to receive a payment for the difference between the resale price of the unit, if any, and the original purchase price (plus selling costs) if the original customer did not buy the real estate. It was observed that the assessment of whether the entity has an enforceable right to payment considers only the payments that the entity is entitled to receive from the customer under the existing contract. In the case described, the payment did not at all times relate to the completion of the asset to date (that is, the selling price of the part-constructed real estate), and therefore it was observed that the amount did not compensate the entity for performance completed to date.

10	Costs to fulfil a contract	PSAK 115	The agenda discusses the recognition of costs incurred to fulfil a contract as an entity satisfies a performance obligation in the contract over time. In the fact pattern described in the request, the entity (a) transfers control of a good over time (i.e. one (or more) of the criteria in paragraph 35 of PSAK 115 is met) and, therefore, satisfies a performance obligation and recognises revenue over time; and (b) measures progress towards complete satisfaction of the performance obligation using an output method applying paragraphs 39–43 of PSAK 115. It was observed that the costs of construction described in the request are costs that relate to the partially satisfied performance obligation in the contract—i.e. they are costs that relate to the entity's past performance. Those costs do not, therefore, generate or enhance resources of the entity that will be used in continuing to satisfy the performance obligation in the future (paragraph 95(b)). Consequently, those costs do not meet the criteria in paragraph 95 of PSAK 115 to be recognized as an asset.
11	Subsurface rights	PSAK 116	This agenda decision discusses a particular contract for subsurface rights. Based on the contract terms and conditions, a pipeline operator obtains the right to place a pipeline underneath agricultural land for 20 years in exchange for payments to the landowner. The question discussed is about the scoping of this contract whether it is PSAK 116, PSAK 238 or other PSAKs. It was determined that the underground space did not meet the definition of an intangible asset that would be subject to an optional scope exemption in PSAK 116, because the defined underground space is tangible in nature. The contract therefore relates to the use of an identified tangible asset. It was concluded that the contract described in the request contains a lease as defined in PSAK 116.
12	Lessee's incremental borrowing rate	PSAK 116	The agenda discusses whether a lessee's incremental borrowing rate (IBR) must reflect the interest rate in a loan with both a similar maturity to the lease and a similar payment profile to the lease payments. It was noted that PSAK 116 does not explicitly require the IBR to reflect the interest rate in a loan with a similar payment profile to the lease payments. Nonetheless, in applying judgement to determine the IBR, it would be consistent with the Board's objective, when developing the definition of the IBR, to refer to the rate for a loan with a similar payment profile to that of the lease as a starting point, if such a rate was readily observable.

13	Sale and leaseback with variable payments	PSAK 116	The discussion is around the measurement of a seller-lessee's right-of-use asset arising from a sale and leaseback transaction with variable payments calculated as a percentage of the seller lessee's revenue generated using the PPE during the lease term and the determination of the amount of any gain or loss recognised at the date of the transaction. To measure the right-of-use asset arising from the leaseback, it was noted that PSAK 116 does not prescribe a method for determining the proportion of the PPE transferred to the buyer-lessor that relates to the right of use retained. In the transaction described in the request, the seller-lessee could determine the proportion by comparing, for example, (a) the present value of expected payments for the lease (including those that are variable), with (b) the fair value of the PPE at the date of the transaction. The gain or loss the seller-lessee recognises at the date of the transaction is a consequence of its measurement of the right-of-use asset arising from the leaseback.
14	Definition of a lease-decision-making right	PSAK 116	The discussion is around whether the customer has the right to direct the use of a ship where many, but not all, decisions about how and for what purpose the ship is used are predetermined in the contract. The customer has the right to make the remaining decisions about how and for what purpose the ship is used throughout the period of use. It was concluded that, in the fact pattern described in the request, the customer has the right to direct the use of the ship throughout the period of use. Consequently, the contract contains a lease.

Buletin Implementasi Vol 2

15	Supply chain financing arrangements- reverse factoring	PSAK 207 and PSAK 107	This discussion is around the accounting for supplier chain financing arrangements (reverse factoring) specifically, the presentation of liabilities that are part of reverse factoring arrangements, the presentation of the related cash flows, and the information to disclose in the notes about, for example, liquidity risks that arise in such arrangements.
16	Demand deposits with restriction on use arising from a contract with a third party	PSAK 207	This topic discusses a specific fact pattern regarding a demand deposit that is subject to contractual restrictions on use agreed with a third party. It was concluded that, in the fact pattern described in the request, the entity presents the demand deposit as cash and cash equivalents in its statement of financial position. When relevant to an understanding of its financial position, the entity would disaggregate the 'cash and cash equivalents' line item and present the demand deposit separately in an additional line item.
17	Identification of cash equivalent – investment in shares or unit of money market funds redeemable	PSAK 207	This topic discusses whether investments in shares or units of money market mutual funds that can be exchanged at any time can be classified as cash and cash equivalents. It was noted that the units cannot be considered cash equivalents simply because they can be converted to cash at any time at the then market price in an active market, which means that the amount of cash that will be received is unknown at the time of the initial investment and the risk of changes in value could be significant. Under PSAK 207, cash equivalents must be 'convertible to known amounts of cash' and 'subject to insignificant risk of changes in value'.
18	Identification of cash equivalent – financial assets	PSAK 207	This topic discusses the basis of the period in determining a consistent investment classification: is it "from the reporting date to the maturity" or "from the date of acquisition to maturity"? It was noted, that based on PSAK 207, an investment is classified as a cash equivalent only if the investment has a short maturity from the date of acquisition.

19	Classification of short-term loans and credit facilities	PSAK 207	This topic discusses whether short-term loans for cash management can be classified as components of cash and cash equivalents. Additional information is that short-term arrangement balances do not frequently fluctuate from negative to positive. Based on PSAK 207 para 8, bank loans must be repaid on demand and form an integral part of cash management, so that they can be classified as components of cash and cash equivalents. However, the fact that arrangement balances do not frequently fluctuate from negative to positive suggests that short-term arrangements are a form of financing. In addition, there is additional information that this short-term arrangement cannot be repaid upon request. Accordingly, short-term arrangements in this fact pattern are not components of cash and cash equivalents.
20	Multi-currency Groups of insurance contracts	PSAK 221 and PSAK 117	This topic discusses whether forex risk needs to be considered in identifying groups of multicurrency insurance contracts and the application of PSAK 221 in connection with transactions regulated under PSAK 117. Under PSAK 117 paragraph 14, entities are required to consider all risks and group insurance contracts based on similar risks without specifying a particular type of risk ("identical risk"). IFAS include no explicit requirements on how to determine the currency denomination of transactions or items with cash flows in more than one currency. Therefore, it was observed that, in measuring a multi-currency group of insurance contracts, an entity uses its judgement to develop and apply an accounting policy that determines on initial recognition the currency or currencies in which the group—including the contractual service margin—is denominated (currency denomination). The entity could determine that the group— including the contractual service margin—is denominated in a single currency or in the multiple currencies of the cash flows in the group.

21	Lessor forgiveness of lease payments	PSAK 109 and PSAK 116	This topic discusses how the lessor applies the expected credit loss model in PSAK 109 to the operating lease receivable before the rent concession is granted if it expects to forgive payments due from the lessee under the lease contract and whether the lessor applies the derecognition requirements in PSAK 109 or the lease modification requirements in PSAK 116 in accounting for the rent concession. It is concluded that the lessor should record the lease concession with the above fact pattern on the date the concession is granted by applying the following requirements: 01. impairment and derecognition in accordance with PSAK 109 and 02. lease modification of the forgiven lease payments that have not been recognised as receivable operating leases in accordance with PSAK 116.
22	Assessment of promised goods or services	PSAK 115	This topic discusses the performance obligation of a stock exchange that provides a listing service to a customer, specifically whether the stock exchange promises to transfer an admission service that is distinct from the listing service. Based on the fact pattern described in the request, it was concluded that the stock exchange does not promise to transfer any goods or service to the customer other than the service of being listed on the exchange.
23	Compensation for delays or cancellations	PSAK 115	This topic discusses the recognition of compensation for flight delays or cancellations, whether as variable compensation (PSAK 115) or contingent liabilities (PSAK 237)? It is concluded that compensation for delays or cancellations, as described in the request, is a variable consideration in the contract.
24	Training costs to fulfil a contract	PSAK 115	This topic discusses the recognition of training costs to fulfil contracts by an outsourcing company. As additional information, this training fee can be charged to the customer. It is concluded that, in the fact pattern described in the request, the entity applies PSAK 238 in accounting for the training costs incurred to fulfil the contract with the customer. Accordingly, the entity recognises the training costs to fulfil the contract with the customer as an expense when incurred. It was noted that the entity's ability to charge to the customer the costs of training does not affect that conclusion.

25	Principal versus agent: software reseller	PSAK 115	This topic discusses how a reseller of software licences determines if it is a principal or an agent, in applying the requirements in PSAK 115 to a specific fact pattern. It was observed that the conclusion as to whether the reseller is a principal or agent depends on the specific facts and circumstances, including the terms and conditions of the relevant contracts. The reseller would apply judgement in making its overall assessment of whether it is a principal or agent — including considering the relevance of the indicators to the assessment of control and the degree to which they provide evidence of control of the standard software licences before they are transferred to the customer — within the context of the framework and requirements set out in paragraphs PP34–PP38 of PSAK 115.
26	Transfer of insurance coverage under a group of annuity contracts	PSAK 117	This topic discusses how an insurer of a group of annuity contracts determines the amount of the contractual service margin to be recognised in profit or loss for a period due to the transfer of survival insurance coverage for that period. PSAK 117 does not prescribe a method for determining the quantity of the benefits provided under a contract. Instead, an entity is required to use a method that meets the principle in paragraph PP119 of reflecting the insurance contract services provided in each period. In selecting a method that meets that principle, an entity considers (a) the benefits provided to the policyholder under a contract with respect to the insurance contract services provided, and (b) when those benefits are provided. Different methods may achieve the principle depending on the facts and circumstances. From the methods described in the fact pattern of the request, the amount of the annuity payment the policyholder is able to validly claim meets the principle in paragraph PP119 of PSAK 117 of reflecting the insurance coverage provided in each period. This approach is referred to as "Method 1" in the fact pattern of the request.

Buletin Implementasi Vol 3

1	Definition of a lease – substitution rights	PSAK 116	This topic discusses on how to determine whether there is an identified asset when an arrangement contains a substitution right. It is concluded, based on the fact pattern, the supplier does not have the substantive right to substitute the asset throughout the period of use. Determining whether a supplier's substitution right is substantive throughout the period of use can require judgement. Although the facts and circumstances in the fact pattern are specific to the transportation sector, arrangements containing substitution rights exist in a wide range of industries. Entities are, therefore, encouraged to consider carefully their current accounting for such arrangements in light of the Buletin Implementasi and IFRIC AD.
2	Premium Receivable from an Intermediary	PSAK 117 and PSAK 109	This topic discusses how an entity that issues insurance contracts (insurer) accounts for premiums receivable from an intermediary. The submission asked, when the policyholder pays the premiums to the intermediary, whether the insurer is required to recognise the premiums receivable from an intermediary as a separate financial asset under PSAK 109 and remove these premiums from the measurement of the group of insurance contracts under PSAK 117. It is concluded that there is an accounting policy choice that premiums receivables remain in the measurement of a group of insurance contracts under PSAK 117 until recovered or settled in cash (View 1) or it is removed from the measurement of the group of insurance contracts and is recognised as a separate financial asset under PSAK 109 (View 2).
3	Going concern disclosures	PSAK 201	This topic discusses guidance on disclosure requirements in PSAK 201 for material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. PSAK 201 paragraph 25 requires the entity disclose those uncertainties.
4	Costs necessary to sell inventories	PSAK 202	This topic discusses about whether an entity includes all costs necessary to make the sale or only those that are incremental to the sale as the "estimated costs necessary to make a sale" when determining the net realisable value of inventories. It is concluded that PSAK 202 paragraph 28 does not allow an entity to limit such costs to only those that are incremental.

5	Preparation of financial statements when an entity is no longer a going concern	PSAK 210	This topic discusses (1) whether an entity can prepare financial statements for prior periods on a going concern basis if it was a going concern in those periods and had not previously prepared financial statements for those periods; and (2) if it had previously prepared financial statements for the preceding period on a going concern basis, whether it is required to restate comparative information in respect of the preceding period to reflect the basis of accounting used in preparing the current period's financial statements. It is concluded that the answer to the first question is “no” and entities do not restate comparative information and noted that there is no diversity for the second question.
6	Merger between a parent and its subsidiary in separate financial statements	PSAK 227	This topic discusses on how an entity applies PSAK 227 to account for a merger with its subsidiary (which contains a business) in its separate financial statements and whether the merger should be accounted for as a business combination applying PSAK 103 or whether the parent entity should recognise the subsidiary’s assets and liabilities at their previous carrying amounts (carrying amount method). It is noted that no diversity in practice which the entities do not apply acquisition method under PSAK 103 for merger transaction between parent and subsidiary in the separate financial statement.
7	Customer’s right to receive access to the supplier’s software hosted on the cloud	PSAK 238	This topic discusses about how the customer applies accounting standards in accounting for fees paid to the supplier to access the supplier’s application software running on the supplier’s cloud infrastructure (i.e. Software as a Service (SaaS) arrangements). In such arrangements, the capability provided by the supplier (the cloud service provider) to the customer is to access the supplier’s application software running on the supplier’s cloud infrastructure. During the November 2018 meeting, it was agreed with the agenda decision which (i) set out the analysis of the application of PSAK 116 to the SaaS arrangements and concluded that a contract that conveys to the customer only the right to receive access to the supplier's application software in the future is a service contract; (ii) analysed the application of PSAK 116 or PSAK 238 if the contract contains a software lease and concluded that a software lease is a licensing agreement within the scope of PSAK 238 but not PSAK 116, and therefore the right of use as an intangible asset has to be recognised at the contract commencement date.

8	Player transfer payment	PSAK 238 and PSAK 115	This topic discusses on whether a football club transferring a player to another club recognises the transfer payment received as revenue applying PSAK 115, or instead recognises the gain or loss in profit or loss applying PSAK 238. The player is registered in an electronic transfer system managed by a third party. Registration means that the player is unable to play for another football club. It is concluded that an entity should recognised the gain or loss applying PSAK 238 if such right is recognised as an intangible asset. Only when the ordinary activities of an entity include the development and transfer of players and the registration rights associated are recognised as inventories, the entity would recognise the transfer payments as revenue under PSAK 115.
9	Configuration or customisation costs in a cloud computing arrangement	PSAK 238	This topic discusses the accounting for a customer's costs of configuring or customising the supplier's application in a 'Software as a Service' (SaaS) arrangement. In the fact pattern described, the contract conveys to the customer the right to receive access to the software in the future, which is considered a service contract. The customer incurs upfront costs of configuring and customising the suppliers' application software to which it receives access. The submitter asked whether the customer recognises such costs as: (a) an intangible asset, (b) a prepayment asset or (c) an expense when incurred. The Committee members generally agreed with the analysis that no intangible asset is recognised and with the accounting for the expenditure on configuration or customisation. However, there were extensive discussions about the linkage/reference to IFRS 15/ PSAK 115 when identifying distinct services and the timing of recognition of services provided by the supplier.

Buletin Implementasi Vol 4

1	Carbon unit transactions	PSAK 238, PSAK 202, PSAK 109 and PSAK 237	This topic discusses the accounting for carbon unit acquired, used (offset), resold, and liabilities incurred from carbon emission. DSAK-IAI emphasizes that there are no specific accounting standards for unit carbon transactions. As a consequence, the entities which apply SAK Indonesia are required to consider the existing accounting standards which appropriately reflect the unit carbon transactions. Those existing accounting standards are:
			01. PSAK 238 or PSAK 202 Carbon units meet the definition of an intangible asset. Under PSAK 238 paragraph 8, they are identifiable non-monetary assets without physical substance. They do not give the holder any right to receive cash or another financial asset. However, carbon units should be accounted for as inventories under PSAK 202 if the scope exclusion in PSAK 238:2 applies (i.e., they are are held for sale in the ordinary course of business). PSAK 238 provides accounting policy choice for the measurement of carbon units which are cost method and revaluation method. If the entity applies cost method, carbon units are measured at the acquisition costs plus incremental and directly attributable costs. If the unit carbons are acquired with no consideration, the entity should consider PSAK 220 *Government grants*. In order to use the revaluation model, the fair value of carbon units is required to be measured by reference to an active market. Therefore, only carbon units that are traded on an active market can be revalued.
			02. PSAK 109 In order to be able to recognized as financial instrument, a contract should met the definition of financial instruments under PSAK 232. If the underlying items of carbon unit issued are designed as and have derivative characteristics as defined by PSAK 109, those instruments are accounted as fair value through profit or loss (FVTPL).

			03. PSAK 237 'Cap and trade schemes' for emission rights are designed to encourage reductions in greenhouse gas emissions. In the scheme of P*etunjuk Teknis Batas Atas Emisi- Pelaku Usaha* (PTBAE-PU) applied in Indonesia which is mandatory compliance, legal obligation exist. In other hand, for voluntary compliance scheme, the entities should assess whether the commitment for reducing the emission creates constructive obligation, thus provision is recognized. A liability for emissions would be recognised as incurred and measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, in accordance with PSAK 237s.

Buletin Implementasi Vol 5

1	Disclosure regarding management of capital and disclosure other information in the notes to financial statements	PSAK 201	This topic discusses on (a) whether the disclosure of quantitative financial ratios i.e., Capital Adequacy Ratio (CAR) as imposed by Indonesian regulator could replace the disclosure requirements for as required by PSAK 201 paragraph 135 and (b) how the disclosures of financial ratio imposed by regulator which do not met definition of management-defined performance measures (MPM) under IFRS 18 or not required by PSAK (i.e., non-GAAP measures). It is concluded that disclosure of quantitative information regarding external capital requirement (i.e. CAR) imposed by regulator is not part of disclosure requirements regarding management of capital under PSAK 201. In addition, the entities should disclose additional information such as non-GAAP measures separately in the notes to financial statements and clearly distinguished from the disclosures as required by PSAK.

Changes in PSAK numbering

On 13 November 2023, DSAK-IAI announced updates to the numbering of individual PSAKs and ISAKs which become effective on and after 1 January 2024. All *SAK International* standards will be referred with "i" before every number (*SAK Internasional* equivalent standard for IFRS 3 is PSAK i103). The table below provides the details of the changes in numbering of SAK Indonesia:

Coding	New PSAK and ISAK numbering	Examples
PSAK		
1 + IFRS standards	PSAK 115	Revenue from contract with customers
2 + IAS standards	PSAK 201	Presentation of Financial Statements
3 + locally developed standards	PSAK 338	Accounting for Restructuring Under Common Control Entities
4 + sharia accounting standards	PSAK 408	Accounting for sharia insurance transaction
ISAK		
1 + IFRIC interpretations	ISAK 112	Service Concession Arrangements
2 + SIC interpretations	ISAK 232	Intangible Assets-Web Site Costs
3 + locally developed interpretations	ISAK 336	Interaction Between Standard of Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases
4 + sharia interpretations	ISAK 402	Murabahah receivable impairment

Old numbering		New numbering	
PSAK 53	*Share-based Payment*	PSAK 102	*Share-based Payment*
PSAK 22	*Business Combinations*	PSAK 103	*Business Combinations*
PSAK 62	*Insurance Contracts*	PSAK 104	*Insurance Contracts*
PSAK 28	*Accounting for loss insurance*	PSAK 328	*Accounting for loss insurance*
PSAK 36	*Accounting for life insurance*	PSAK 336	*Accounting for life insurance*
PSAK 58	*Non-current Assets Held for Sale and Discontinued Operations*	PSAK 105	*Non-current Assets Held for Sale and Discontinued Operations*
PSAK 64	*Exploration for and Evaluation of Mineral Resources*	PSAK 106	*Exploration for and Evaluation of Mineral Resources*
PSAK 60	*Financial Instruments: Disclosures*	PSAK 107	*Financial Instruments: Disclosures*
PSAK 5	*Operating Segments*	PSAK 108	*Operating Segments*
PSAK 71	*Financial Instruments*	PSAK 109	*Financial Instruments*
PSAK 65	*Consolidated Financial Statements*	PSAK 110	*Consolidated Financial Statements*
PSAK 66	*Joint Arrangements*	PSAK 111	*Joint Arrangements*
PSAK 67	*Disclosure of Interests in Other Entities*	PSAK 112	*Disclosures of Interest in Other Entities*
PSAK 68	*Fair Value Measurement*	PSAK 113	*Fair Value Measurement*
PSAK 72	*Revenue from contract with customers*	PSAK 115	*Revenue from contract with customers*
PSAK 73	*Leases*	PSAK 116	*Leases*
PSAK 74	*Insurance Contracts*	PSAK 117	*Insurance Contracts*

PSAK 1	*Presentation of Financial Statements*	PSAK 201	*Presentation of Financial Statements*
PSAK 14	*Inventories*	PSAK 202	*Inventories*
PSAK 2	*Statement of Cash Flows*	PSAK 207	*Statement of Cash Flows*
PSAK 25	*Accounting Policies, Changes in Accounting Estimates and Errors*	PSAK 208	*Accounting Policies, Changes in Accounting Estimates and Errors*
PSAK 8	*Events after the Reporting Period*	PSAK 210	*Events after the Reporting Period*
PSAK 46	*Income Taxes*	PSAK 212	*Income Taxes*
PSAK 16	*Property, Plant and Equipment*	PSAK 216	*Property, Plant and Equipment*
PSAK 24	*Employee Benefits*	PSAK 219	*Employee Benefits*
PSAK 61	*Accounting for Government Grants and Disclosure of Government Assistance*	PSAK 220	*Accounting for Government Grants and Disclosure of Government Assistance*
PSAK 10	*The Effects of Changes in Foreign Exchange Rates*	PSAK 221	*The Effects of Changes in Foreign Exchange Rates*
PSAK 26	*Borrowing Costs*	PSAK 223	*Borrowing Costs*
PSAK 7	*Related Party Disclosures*	PSAK 224	*Related Party Disclosures*

PSAK 18	*Accounting and Reporting by Retirement Benefit Plans*	PSAK 226	*Accounting and Reporting by Retirement Benefit Plans*
PSAK 4	*Separate Financial Statements*	PSAK 227	*Separate Financial Statements*
PSAK 15	*Investments in Associates and Joint Ventures*	PSAK 228	*Investments in Associates and Joint Ventures*
PSAK 63	*Financial Reporting in Hyperinflationary Economies*	PSAK 229	*Financial Reporting in Hyperinflationary Economies*
PSAK 50	*Financial Instruments: Presentation*	PSAK 232	*Financial Instruments: Presentation*
PSAK 56	*Earnings per Share*	PSAK 233	*Earnings per Share*
PSAK 3	*Interim Financial Reporting*	PSAK 234	*Interim Financial Reporting*
PSAK 48	*Impairment of Assets*	PSAK 236	*Impairment of Assets*
PSAK 57	*Provisions, Contingent Liabilities and Contingent Assets*	PSAK 237	*Provisions, Contingent Liabilities and Contingent Assets*
PSAK 19	*Intangible Assets*	PSAK 238	*Intangible Assets*
PSAK 13	*Investment Property*	PSAK 240	*Investment Property*
PSAK 69	*Agriculture*	PSAK 241	*Agriculture*
ISAK 9	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	ISAK 101	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*
ISAK 19	*Applying the Restatement Approach under PSAK 229 Financial Reporting in Hyperinflationary Economies*	ISAK 107	*Applying the Restatement Approach under PSAK 229 Financial Reporting in Hyperinflationary Economies*
ISAK 17	*Interim Financial Reporting and Impairment*	ISAK 110	*Interim Financial Reporting and Impairment*
ISAK 16	*Service Concession Arrangements*	ISAK 112	*Service Concession Arrangements*
ISAK 15	*PSAK 219 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	ISAK 114	*PSAK 219 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
ISAK 13	*Hedges of a Net Investment in a Foreign Operation*	ISAK 116	*Hedges of a Net Investment in a Foreign Operation*
ISAK 11	*Distributions of Non-cash Assets to Owners*	ISAK 117	*Distributions of Non-cash Assets to Owners*
ISAK 28	*Extinguishing Financial Liabilities with Equity Instruments*	ISAK 119	*Extinguishing Financial Liabilities with Equity Instruments*

ISAK 29	*Stripping costs in the production phase of a surface mine*	ISAK 120	*Stripping costs in the production phase of a surface mine*
ISAK 30	*Levies*	ISAK 121	*Levies*
ISAK 33	*Foreign currency transactions and advance consideration*	ISAK 122	*Foreign currency transactions and advance consideration*
ISAK 34	*Uncertainty over income tax treatments*	ISAK 123	*Uncertainty over income tax treatments*
ISAK 18	*Government Assistance No Specific Relation to Operating Activities*	ISAK 210	*Government Assistance No Specific Relation to Operating Activities*
ISAK 20	*Income Taxes Changes in the Tax Status of an Entity or its Shareholders*	ISAK 225	*Income Taxes Changes in the Tax Status of an Entity or its Shareholders*
PSAK 38	*Accounting for Restructuring Under Common Control Entities*	PSAK 338	*Accounting for Restructuring Under Common Control Entities*
PSAK 70	*Accounting for Tax Amnesty Assets and Liabilities*	PSAK 370	*Accounting for Tax Amnesty Assets and Liabilities*
ISAK 31	*Interpretation on the scope of PSAK 240: Investment Property*	ISAK 331	*Interpretation on the scope of PSAK 240: Investment Property*
ISAK 32	*Definition and Hierarchy of Financial Accounting Standards*	ISAK 332	*Definition and Hierarchy of Financial Accounting Standards*
ISAK 35	*Presentation of Financial Statements for Non-profit Oriented Entities*	ISAK 335	*Presentation of Financial Statements for Non-profit Oriented Entities*
ISAK 36	*Interaction Between Standard of Land Rights in PSAK 216: Fixed Assets and PSAK 116: Leases*	ISAK 336	*Interaction Between Standard of Land Rights in PSAK 216: Fixed Assets and PSAK 116: Leases*
PSAK 101	*Presentation of shariah financial statements*	PSAK 401	*Presentation of shariah financial statements*
PSAK 102	*Murabahah Accounting*	PSAK 402	*Murabahah Accounting*
PSAK 103	*Salam Accounting*	PSAK 403	*Salam Accounting*
PSAK 104	*Istishna Accounting*	PSAK 404	*Istishna Accounting*
PSAK 105	*Mudharabah Accounting*	PSAK 405	*Mudharabah Accounting*
PSAK 106	*Musharakah Accounting*	PSAK 406	*Musharakah Accounting*
PSAK 107	*Ijarah Accounting*	PSAK 407	*Ijarah Accounting*
PSAK 108	*Accounting for sharia insurance transaction*	PSAK 408	*Accounting for sharia insurance transaction*

PSAK 109	*Zakah and Infaq/Shadaqah accounting*	PSAK 409	*Zakah and Infaq/Shadaqah accounting*
PSAK 110	*Sukuk accounting*	PSAK 410	*Sukuk accounting*
PSAK 111	*Wa'd accounting*	PSAK 411	*Wa'd accounting*
PSAK 112	*Wakaf accounting*	PSAK 412	*Wakaf accounting*
PSAK 59	*Accounting for sharia banking*	PSAK 459	*Accounting for sharia banking*
ISAK 101	*Deferred murabahah revenue recognition without significant inventory risk*	ISAK 401	*Deferred murabahah revenue recognition without significant inventory risk*
ISAK 102	*Murabahah receivable impairment*	ISAK 402	*Murabahah receivable impairment*

Updates on other SAK pillars

SAK Entitas Privat (SAK EP)	DSAK-IAI has ratified the Private Entity Financial Accounting Standards (SAK EP) which is the adoption of IFRS for SMEs taking into account conditions in Indonesia. SAK EP will be effective in 2025 and allowed to be applied earlier. SAK EP will replace SAK for Entities Without Public Accountability (ETAP).

Section 3: Deloitte Resources

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1. IAS Plus – http://www.iasplus.com/ provides Deloitte IFRS e-Learning modules, newsletters, IAS/IFRS model financial statements, disclosure checklist and a wealth of information on IAS/IFRS projects and issues.
2. http://www.deloitte.com/ provides a links to websites of member firms around the world.
3. Deloitte Accounting Research Tool is Deloitte's comprehensive web-based library of accounting and financial disclosure literature, available on subscription basis.

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