

Assurance NewsFlash



IFRS Adoption in Indonesia: status as at the end of June 2009

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As is widely known, the Indonesian Institute of Accountants has announced its plan to converge the Indonesian accounting standards (i.e. Pernyataan Standard Akuntansi Keuangan or "PSAK" and interpretations thereof) with the International Financial Reporting Standards ("IFRS") by 2012. The IFRS will likely be declared mandatory for companies that have public accountability, e.g. listed companies, banks, insurance companies and other entities that accumulate funds from the public. Companies with no public accountability and Small Medium Enterprises will follow a special accounting standard currently being promulgated.

Between now (2009) and 2010 a number of IFRS will be adopted as described in the tables below. By early 2011 the adoption process is expected to be complete so that users of the accounting standards will have a whole year to prepare the financial reporting infrastructure before full IFRS is implemented in 2012.

The table below describes the progress of adopting and incorporating the IFRS into the Indonesian accounting standards. At this stage, some of the drafts adopted from the IFRS have been approved by the Indonesian Accounting Standards Board and launched as Exposure Drafts ("EDs"). An ED is a publication containing a proposed statement of accounting standard that is circulated to the public for comments. After the ED is improved by taking into account comments from the public, it will be finalized and launched as a PSAK.

Please note that none of the EDs in the table below has been finalized as a PSAK as at the end of June 2009. The rest of the drafts, as can be seen in the table below, either a) are still being drafted and have not yet been approved as an ED or b) have been approved as an ED but not yet published. Usually it takes around two to three months to publish an ED and make it available to the public after approval.

2009 Adoption Plan

Name of IFRS being adopted		Progress of Adoption		
		a ED – in process, not yet approved	b ED – approved but not yet published	c ED – approved and published
IAS 1	Presentation of Financial Statements			
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors			
IAS 12	Income Taxes			
IAS 21	The Effects of Changes in Foreign Exchange Rates			
IAS 26	Accounting and Reporting by Retirement Benefit Plans			
IAS 27	Consolidated and Separate Financial Statements			
IAS 28	Investments in Associates			
IAS 31	Interests in Joint Ventures			
IAS 36	Impairment of Assets			
IAS 37	Provisions, Contingent Liabilities and Contingent Assets			
IAS 38	Intangible Assets			
IFRS 2	Share-Based Payments			
IFRS 3	Business Combinations			
IFRS 4	Insurance Contracts			
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations*)			
IFRS 6	Exploration for and Evaluation of Mineral Resources			
IFRS 7	Financial Instruments: Disclosures			
IFRS 8	Segment Reporting			
IFRS for Small Medium Enterprises				

*) The ED containing IFRS 5 Non-current Assets Held for Sale and Discontinued Operations is being revisited to ensure consistency with the latest version of IFRS and will be relaunched as a second Exposure Draft within the next few months.

2010 Adoption Plan



The following IAS/IFRS will be adopted in 2010 (to date, none of the IFRS adoption projects listed below has been started).

- IAS 7 Cash Flow Statements
- IAS 20 Accounting for Government Grants and Disclosure of Government Assistance
- IAS 24 Related-Party Disclosures
- IAS 29 Financial Reporting in Hyperinflationary Economies
- IAS 33 Earnings per Share
- IAS 34 Interim Financial Reporting
- IAS 41 Agriculture

Should you have any concern or question regarding matters in this NewsFlash, please contact your engagement partner or Dudi Kurniawan from the PwC Indonesia Technical Committee, who can be reached on 62 21 521 2901 or dudi.m.kurniawan@id.pwc.com

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Putting our values in action

Excellence

Delivering what we promise and adding value beyond what is expected.

We achieve excellence through **innovation, learning and agility.**

Teamwork

The best solutions come from working together with colleagues and clients.

Effective teamwork requires **relationships, respects and sharing.**

Leadership

Leading with clients, leading with people and thought leadership.

Leadership demands **courage, vision and integrity.**

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