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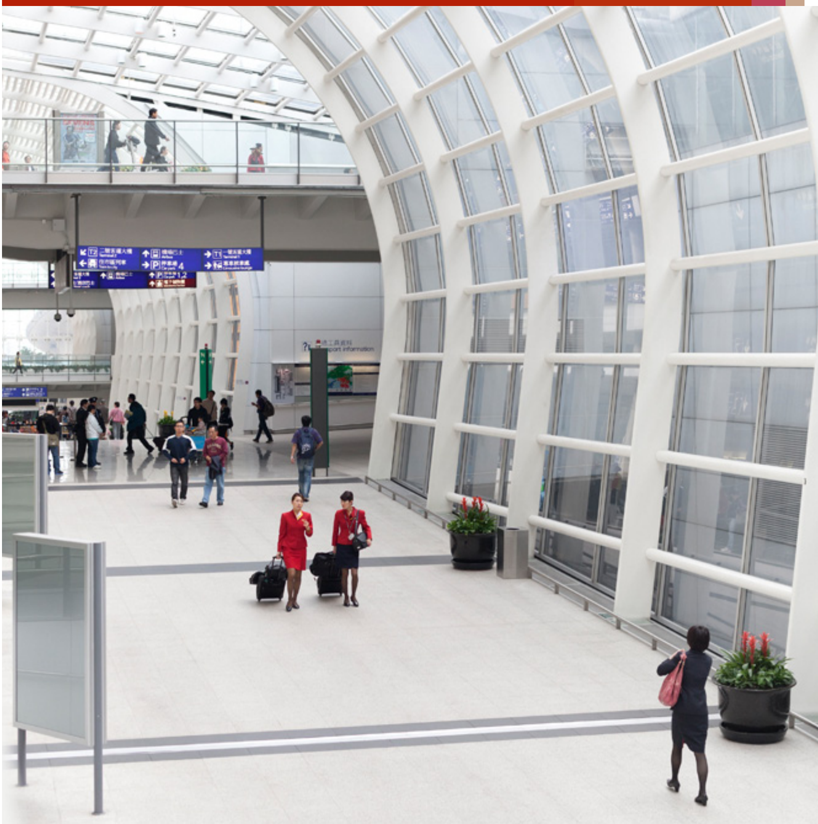
IFRS and Indonesian GAAP (PSAK): similarities and differences

October 2014



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This publication provides a summary of the key differences between the Indonesian Financial Accounting Standards (IFAS or PSAK) and the International Financial Reporting Standards (IFRS) that are required for annual reporting periods beginning on 1 January 2014.

This publication does not include the specific requirements applicable for listed companies as prescribed by Indonesian Financial Service Authority (*Otoritas Jasa Keuangan / OJK*). Please refer to the other specific publication on this matter.

This summary is not a substitute for reading the accounting standards and interpretations themselves. While every effort has been made to ensure accuracy, this publication is not comprehensive and information may have been omitted which may be relevant to a particular user.

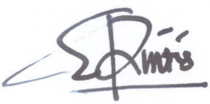
Foreword

This year, the Accounting Standards Board of the Indonesian Institute of Accountants (the "Board") has introduced several new standards in an effort to align PSAK with International Financial Reporting Standards ("IFRS").

Although there are only three new interpretations which are effective for this year, the Board will introduce no less than 14 revised and new standards that will be effective in 2015. As a result, there are still a number of differences between IFRS and PSAK that are required for annual reporting periods beginning on 1 January 2014.

The new interpretations are to clarify several cases related to transfer assets from customer (ISAK 27), Extinguishing financial liabilities with equity instruments (ISAK 28) and stripping costs in the production phase of a surface mine (ISAK 29).

This publication is aimed to highlight these key differences between PSAK and IFRS and enable users to better understand in the preparation of the financial statements under IFRS and PSAK. We encourage you to consult your regular PwC contact should you have any questions or comments regarding this publication or the implementation of the new accounting standards.



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Comparing International Financial Reporting Standards (IFRS)[a]/ International Accounting Standards (IAS) with Indonesian Financial Accounting Standards (PSAK)

Below are the key comparisons between the PSAK and the IFRS /IAS required for annual reporting periods beginning on 1 January 2014

IFRS		PSAK		Differences
IFRS 1	*First-time Adoption of International Financial Reporting Standards*	-	*No equivalent standard*	IFRS 1 will not be adopted as it has been considered or included in the transitional provisions in the individual standards/interpretations.
IFRS 2	*Share-based Payment*	**PSAK 53**	*Share-based Payment*	PSAK 53 is consistent with IFRS 2 in all significant respects.
IFRS 3	*Business Combinations*	**PSAK 22**	*Business Combinations*	Two standards in key principals are the same, however there are several minor amendments made to IFRS 3 which have not been absorbed by PSAK 22. There is a difference in measuring non-controlling interests where IFRS 3 provides clearer requirements (on present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation) which reduces diversity in the application. IFRS 3 also provides application guidance on all share-based payment transactions that are part of business combinations, including unreplaced and voluntarily replaced share-based payment awards.

IFRS		PSAK		Differences
IFRS 4	*Insurance Contracts*	**PSAK 62** **PSAK 28** **PSAK 36**	*Insurance Contracts* *Accounting for Loss Insurance* *Accounting for Life Insurance*	PSAK 62 is adopted from IFRS 4 except for the requirement in IFRS 4 to measure the insurance liabilities on an undiscounted basis because this contradicts PSAK 28 and PSAK 36. PSAK 28 and 36 act as complementary to the requirement in PSAK 62. . There are no standards in IFRS/IAS which are equivalent to PSAK 28 and 36.
IFRS 5	*Non-current Assets Held for Sale and Discontinued Operations*	**PSAK 58**	*Non-current Assets Held for Sale and Discontinued Operations*	PSAK 58 is consistent with IFRS 5 in all significant respects.
IFRS 6	*Exploration for and Evaluation of Mineral Resources*	**PSAK 64**	*Exploration and Evaluation of Mineral Resources Mining*	PSAK 64 is consistent with IFRS 6 in all significant respects. With the issuance of PSAK 64, PSAK 33 had been superseded.
IFRS 7	*Financial Instruments: Disclosures*	**PSAK 60**	*Financial Instruments: Disclosures* *PSAK 60 (Revised 2014) Financial Instrument : Disclosures will be effective by 1 January 2015*	Several amendments made to IFRS 7 subsequent to March 2009 have been absorbed by PSAK 60 (Revised 2014) which will be effective on 1 January 2015 (early implementation is prohibited). Some notable differences prior amendments to current version of PSAK 60 are as follows:

IFRS		PSAK		Differences
IFRS 7 *(cont'd)*				• IFRS 7 requires greater disclosure on transferred financial assets in both categories of (a) transferred assets that are not derecognised in their entirety and (b) transferred assets that are derecognised in their entirety. The second category has more extensive disclosures requirements. • IFRS 7 requires disclosures to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013" for further details.
IFRS 8	*Operating Segments*	**PSAK 5**	*Operating Segments*	PSAK 5 is consistent with IFRS 8 in all significant respects.
IFRS 9	*Financial Instruments*		*PSAK 55 adopted from IAS 39, refer to section below on IAS 39 and PSAK 55 for further details.*	IFRS 9 has not been adopted in Indonesia. However, previous standards of financial instruments which equivalent to IAS 39 and IFRIC 9 have been adopted through PSAK 55 and ISAK 26. For IFRS reporters, IFRS 9 is effective from 1 January 2015 and can be adopted with immediate effect. IFRS 9 supersedes IAS 39 and IFRIC 9.

IFRS		PSAK		Differences
IFRS 9 *(cont'd)*				This standard includes guidance on the classification and measurement of financial assets and financial liabilities and derecognition of financial instruments. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013 and 2014" for further details.
IFRS 10	*Consolidated Financial Statements*	**PSAK 65**	*PSAK 4 adopted from IAS 27, refer to section below on IAS 27 and PSAK 4 for further details.* *PSAK 4 (Revised 2009) will be replaced by PSAK 65 Consolidated Financial Statements by 1 January 2015*	PSAK 65 Consolidated Financial Statements (the equivalent of IFRS 10) will be effective by 1 January 2015 (early adoption is prohibited). For IFRS reporters, the standard has been effective since 1 January 2013 . IFRS 10 clarifies definition of control by additional guidelines. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013 and 2014" for further details.
IFRS 11	*Joint Arrangements*	**PSAK 66**	*PSAK 12 (Revised 2009) adopted from IAS 31, refer to section below on IAS 28 and PSAK 15 for further details.* *PSAK 12 (Revised 2009) will be replaced by PSAK 66 Joint Arrangements by 1 January 2015.*	PSAK 66 Joint Arrangements (the equivalent of IFRS 11) will be effective by 1 January 2015 (early implementation is prohibited). For IFRS reporters, the standard has been effective since 1 January 2013. IFRS 11 reduces the types of joint arrangements to joint operations and joint ventures, and prohibits the use of proportional consolidation. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013 and 2014" for further details.

IFRS		PSAK		Differences
IFRS 12	*Disclosure of Interests in Other Entities*	**PSAK 67**	*PSAK 4, 12 and 15 adopted from IAS 27, 28 and 31, refer to sections below on IAS 27 and PSAK 4; IAS 28 and PSAK 15; IAS 31 and PSAK 12* *PSAK 4,12,and 15 will be replaced by PSAK 67 Disclosures of Interest in Other Entitles by 1 January 2015*	PSAK 67 Disclosure of Interest in Other Entities (the equivalent of IFRS 12) will be effective by 1 January 2015 (early implementation is prohibited). For IFRS reporters the standard has been effective since 1 January 2013. IFRS 12 brings together in one standard the disclosure requirements that apply to investments in subsidiaries, associates, joint ventures, structured entities, and unconsolidated structured entities. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013 and 2014" for further details.
IFRS 13	*Fair Value Measurement*	**PSAK 68**	*Fair value measurement*	PSAK 68 Fair value measurement (the equivalent of IFRS 13) will be effective by 1 January 2015 (early implementation is prohibited). For IFRS reporters the standard has been effective since 1 January 2013 . IFRS 13 covers fair value measurements and disclosures. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013" for further details.
IFRS 14	*Regulatory deferral accounts*	-	*No equivalent standard under PSAK*	IFRS 14 has not been adopted in Indonesia. For IFRS reporters, the standard will be effective for annual reporting beginning on or after 1 January 2016 and early application is permitted.

IFRS		PSAK		Differences
IFRS 14 *(cont'd)*				IFRS 14 is only 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 15	*Revenue from contract with customers*		*PSAK 23 adopted from IAS 18, refer to section below*	IFRS 15 has not been adopted in Indonesia. For IFRS reporters, the standard will be effective for annual reporting beginning on or after 1 January 2017 and early application is permitted IFRS 15 replaces IAS 18 and the standard brings up new model in recognising revenue which will significantly impact some industries.
IAS 1	*Presentation of Financial Statements*	**PSAK 1 (Revised 2009)**	*Presentation of Financial Statements* *PSAK 1 (Revised 2013) will be effective by 1 January 2015*	SAK 1 (Revised 2013) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 1 subsequent to 2009. The amended PSAK 1 will be consistent with IAS 1 in all significant respects. Some notable differences prior amendments of PSAK 1 (Revised 2013) are as follows: • PSAK 1 defines that IFAS is consisting of the Statements of Financial Accounting Standards, their interpretations and financial reporting rules issued by capital market authorities. IAS 1 does not include the latter.

IFRS		PSAK		Differences
IAS 1 *(cont'd)*	*Presentation of Financial Statements*	**PSAK 1 (Revised 2009)**	*Presentation of Financial Statements* *PSAK 1 (Revised 2013) will be effective by 1 January 2015*	• PSAK 1 disallows an entity to use titles for the financial statements other than those used in PSAK 1. PSAK 1 however allows the entity to use the term of "balance sheets" instead of "statement of financial position". • Under PSAK 1, 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. • IAS 1 requires the presentation of Other Comprehensive Income (OCI) item to be separated into two separate groups i.e. items that will be recycled to profit and loss in the future and items that will not be recycled. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013" for further details.

IFRS		PSAK		Differences
IAS 2	*Inventories*	**PSAK 14**	*Inventories*	PSAK 14 is consistent with IAS 2 in all significant respects.
IAS 7	*Statement of Cash Flows*	**PSAK 2**	*Statement of Cash Flows*	PSAK 2 is consistent with IAS 7 in all significant respects.
IAS 8	*Accounting Policies, Changes in Accounting Estimates and Errors*	**PSAK 25**	*Accounting Policies, Changes in Accounting Estimates and Errors*	PSAK 25 is consistent with IAS 8 in all significant respects.
IAS 10	*Events after the Reporting Period*	**PSAK 8**	*Events after the Reporting Period*	PSAK 8 is consistent with IAS 10 in all significant respects, except that 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 11	*Construction Contracts*	**PSAK 34**	*Construction Contracts*	PSAK 34 is consistent with IAS 11 in all significant respects. On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes IAS 11.
IAS 12	*Income Taxes*	**PSAK 46**	*Income Taxes* *PSAK 46 (Revised 2014) will be effective by 1 January 2015*	PSAK 46 (Revised 2014) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 12 subsequent to 2009. The amended PSAK 46 will be consistent with IAS 12 in all significant respects. IAS 12 contains an exception to the measurement of deferred tax assets or liabilities arising on investment property measured at fair value which assumed that an investment property is recovered entirely through sale.

IFRS		PSAK		Differences
IAS 12 *(cont'd)*				Prior the amendments, PSAK 46 (Revised 2009) regulates several items that are not covered by IAS 12, i.e. (a) final income tax (no deferred tax applicable, recognition and presentation of the related final income tax expense and balance) and (b) specific rules with regard to tax assessment letters (mainly on the recognition of additional tax expenses/income arising from the tax examination letters).
IAS 16	*Property, Plant and Equipment*	**PSAK 16**	*Fixed Assets*	PSAK 16 is consistent with IAS 16 in all significant respects. PSAK 16 provides reference to ISAK 25 in relation to land rights. The current version of PSAK 16 has not adopted any amendments or improvements made to IAS 16 subsequent to 2009. Some notable differences: • IAS 16 provides clarification that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment; • IAS 16 provides clarification on how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model

IFRS		PSAK		Differences
IAS 16 *(cont'd)*		**ISAK 25**	*Land Rights*	ISAK 25 still maintains that land that is held under HGB, HGU and Hak Pakai rights is not amortised unless there is an indication that the renewal or extension of the rights is not probable or cannot be obtained. Costs to obtain those rights for the first time are capitalised as fixed assets but subsequent costs to extend or renew the rights are recognised as intangible assets and then amortised based on paragraph 11 of ISAK 25.
IAS 17	*Leases*	**PSAK 30**	*Leases*	PSAK 30 is consistent with IAS 17 in all significant respects.
IAS 18	*Revenue*	**PSAK 23**	*Revenue*	PSAK 23 is consistent with IAS 18 in all significant respects. On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes IAS 18.
IAS 19	*Employee Benefits*	**PSAK 24 (Revised 2010)**	*Employee Benefits* *PSAK 24 (Revised 2013) will be effective by 1 January 2015*	PSAK 24 (Revised 2013) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 19 (Revised 2011). The amended PSAK 24 will be consistent with IAS 19 in all significant respects. For IFRS reporting, IAS 19 (Revised 2011) is effective starting on 1 January 2013 and had significant impact on most entities due to change in the recognition and measurement of defined benefit pensions expenses and termination benefits, and also the disclosures requirement.

IFRS		PSAK		Differences
IAS 19 *(cont'd)*				In particular, actuarial gains and losses can no longer be deferred using the corridor approach. Refer to other PwC firm publication "A practical guide to new IFRSs for 2013" for further details.
IAS 20	*Accounting for Government Grants and Disclosure of Government Assistance*	**PSAK 61**	*Accounting for Government Grants and Disclosure of Government Assistance*	PSAK 61 is consistent with IAS 20 in all significant respects.
IAS 21	*The Effects of Changes in Foreign Exchange Rates*	**PSAK 10**	*The Effects of Changes in Foreign Exchange Rates*	PSAK 10 is consistent with IAS 21 in all significant respects.
IAS 23	*Borrowing Costs*	**PSAK 26**	*Borrowing Costs*	PSAK 26 is consistent with IAS 23 in all significant respects.
IAS 24	*Related Party Disclosures*	**PSAK 7**	*Related Party Disclosures*	PSAK 7 is consistent with IAS 24 in all significant respects.
IAS 26	*Accounting and Reporting by Retirement Benefit Plans*	**PSAK 18**	*Accounting and Reporting by Retirement Benefit Plans*	PSAK 18 is consistent with IAS 26 in all significant respects.
IAS 27	*Consolidated and Separate Financial Statements*	**PSAK 4 (Revised 2009)**	*Consolidated and Separate Financial Statements* *PSAK 4 (Revised 2009) will be replaced by PSAK 4 (Revised 2013) Separate Financial Statements by 1 January 2015*	PSAK 4 (Revised 2013) Separate Financial Statements which will be effective by 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 27 subsequent to 2009. Therefore, the current version of PSAK 4 (Revised 2009) is still containing matters related with consolidated financial statements.

IFRS		PSAK		Differences
IAS 27 *(cont'd)*				PSAK 4 (Revised 2013) is consistent with IAS 27 in all significant respects, except the fact that PSAK 4 (both the old and amended versions) do not allow a parent entity to present its own separate financial statements as standalone general purpose financial statements. PSAK 4 stipulates that the separate financial statements have to be presented as supplementary information to the consolidated financial statements.
IAS 28	*Investments in Associates*	**PSAK 15 (Revised 2009)**	*Investments in Associates* *PSAK 15 (Revised 2009) will be replaced by PSAK 15 (Revised 2013) Investment in Associates and joint ventures by 1 January 2015*	PSAK 15 (Revised 2013) Investment in Associates and Joint Ventures which will be effective on 1 January 2015 has incorporated all amendments to IAS 28 subsequent to 2009. Therefore, the current version of PSAK 15 (Revised 2009) has not accommodated matters related with joint ventures. PSAK 15 (Revised 2013) is consistent with IAS 28 in all significant respects, except that under IAS 28, an entity or an investor is exempted from applying the equity method of accounting for its associates if they meet certain criteria. In this case, the investor prepares separate financial statements as their only financial statements and records investments in associates, either at cost or in accordance with IAS 39.
IAS 29	*Financial Reporting in Hyperinflation-ary Economies*	**PSAK 63**	*Financial Reporting in Hyperinflation-ary Economies*	PSAK 63 is consistent with IAS 29 in all significant respects.

IFRS		PSAK		Differences
IAS 31	*Interests in Joint Ventures*	**PSAK 12**	*Interests in Joint Ventures* *PSAK 12 will be replaced by PSAK 66 Joint Arrangement which will be effective by 1 January 2015*	PSAK 12 is consistent with IAS 31 in all significant respects. But while both PSAK 12 and IAS 31 allow either the equity method or the proportionate consolidation method, PSAK 12 puts more emphasis on the equity method, whereas IAS 31 recommends the proportionate consolidation method. The issuance of IFRS 11 has superseded IAS 31. For IFRS reporters, IFRS 11 has been effective since 1 January 2013.
IAS 32	*Financial Instruments: Presentation*	**PSAK 50 (Revised 2010)**	*Financial Instruments: Presentation* *PSAK 50 (Revised 2014) Financial Instruments: Presentation will be effective by 1 January 2015*	PSAK 50 (Revised 2014) which will be effective by 1 January 2015 (early implementation is prohibited) has incorporated amendments/ improvements to IAS 32 subsequent to October 2009. After amendment, PSAK 50 (Revised 2014) is consistent with IAS 32 in all significant respects. Some notable differences prior the implementation are as follows: • IAS 32 provides clarification on right to off-set; • IAS 32 provides clarification on the treatment of income tax relating to distributions and transaction costs.
IAS 33	*Earnings per Share*	**PSAK 56**	*Earnings per Share*	PSAK 56 is consistent with IAS 33 in all significant respects.

IFRS		PSAK		Differences
IAS 34	*Interim Financial Reporting*	**PSAK 3**	*Interim Financial Reporting*	PSAK 3 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. PSAK 3 has not adopted any amendments or improvements made to IAS 34 subsequent to 2009.
IAS 36	*Impairment of Assets*	**PSAK 48 (Revised 2009)**	*Impairment of Assets* *PSAK 48 (Revised 2014) will be effective by 1 January 2015*	PSAK 48 (Revised 2014) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 36 as the consequences to the issuance of IFRS 13. The amended PSAK 48 will be consistent with IAS 36 in all significant respects.
IAS 37	*Provisions, Contingent Liabilities and Contingent Assets*	**PSAK 57**	*Provisions, Contingent Liabilities and Contingent Assets*	PSAK 57 is consistent with IAS 37 in all significant respects.
IAS 38	*Intangible Assets*	**PSAK 19**	*Intangible Assets*	PSAK 19 is consistent with IAS 38 in all significant respects. PSAK 19 has not adopted any amendments ot improvements on IAS 38 subsequent to 2009. However there are no significant changes made in the improvement of IAS 38.

IFRS		PSAK		Differences
IAS 39	*Financial Instruments: Recognition and Measurement*	**PSAK 55 (Revised 2011)**	*Financial Instruments: Recognition and Measurement* *PSAK 55 (Revised 2014) will be effective by 1 January 2015.*	PSAK 55 (Revised 2014) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IAS 39 subsequent to 2009. PSAK 55 (Revised 2014) is consistent with IAS 39 in all significant respects IAS 39 includes several amendments with regard to: • the prohibition of the reclassification of a hybrid (combined) contract out of the fair value through profit or loss category when the entity is unable to separately measure an embedded derivative; • further clarification on the scope exemption to forward contract for business combination.
IAS 40	*Investment Property*	**PSAK 13**	*Investment Property*	PSAK 13 is consistent with IAS 40 in all significant respects.
IAS 41	*Agriculture*	-	No equivalent standard under PSAK.	IAS 41 will be adopted by after it is revised by the IASB. The IAS 41 model currently is not considered to be compatible with the agricultural environment in Indonesia. Unlike IAS 41 that requires the agriculture to be measured at fair value, the accounting for agriculture under PSAK is still based on historical costs.

[a] "IFRS" in this publication refers to IFRS as issued by IASB as of 1 January 2009 unless otherwise stated.

[b] On December 2013, DSAK-IAI has issued new PSAK which are PSAK 65, PSAK 66, PSAK 67, and PSAK 68 and will be effectively applied for period beginning on or after 1 January 2015. Those PSAKs are adopted from IFRS 10, IFRS 11, IFRS 12, and IFRS 13. The issuance of PSAK 65 and PSAK 66 have a consequential withdrawal to PSAK 12, ISAK 12 and ISAK 7. Please refer to PwC firm publication "A practical guide to new PSAKs for 2015" for further detail.

[c] On April 2014, DSAK-IAI has issued Revised on PSAK and ISAK which are PSAK 46, PSAK 48, PSAK 50, PSAK 55, PSAK 60 and ISAK 26 and will be effectively applied for period beginning on or after 1 January 2015. Those PSAKs have now adopted all the Revised made to IAS 12, IAS 36, IAS 32, IAS 39, IFRS 7 and IFRIC 9 which been effective on 1 January 2014. Please refer to PwC firm publication "A practical guide to new PSAKs for 2015" for further detail. Comparing the Interpretation of IFRS (IFRIC and SIC) and Indonesian Interpretation of Financial Accounting Standards (ISAK)

Comparing the Interpretation of IFRS (IFRIC) and SIC) and Indonesian Interpretation of Financial Accounting Standards (ISAK)*

Below are the key comparisons between the ISAK and the IFRIC Interpretation (IFRIC) required for annual reporting periods beginning on 1 January 2014.

IFRIC / SIC		ISAK		Differences
IFRIC 1	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	**ISAK 9**	*Changes in Existing Decommissioning, Restoration and Similar Liabilities*	ISAK 9 is consistent with IFRIC 1 in all significant respects.
IFRIC 2	*Members' Shares in Co-operative Entities and Similar Instruments*		*No equivalent interpretation under PSAK.*	IFRIC 2 is not adopted since cooperatives in Indonesia do not issue shares to its members.
IFRIC 4	*Determining whether an Arrangement contains a Lease*	**ISAK 8**	*Determining whether an Arrangement Contains a Lease*	ISAK 8 is consistent with IFRIC 4 in all significant respects.
IFRIC 5	*Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*		*No equivalent interpretation under PSAK.*	IFRIC 5 is not adopted.
IFRIC 6	*Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*		*No equivalent interpretation under PSAK.*	IFRIC 6 is not adopted.
IFRIC 7	*Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*	**ISAK 19**	*Applying the Restatement Approach under PSAK 63: Financial Reporting in Hyperinflationary Economies*	ISAK 19 is consistent with IFRIC 7 in all significant respects.

IFRIC / SIC		ISAK		Differences
IFRIC 9	*Reassessment of Embedded Derivatives*	**ISAK 26**	*Reassessment of Embedded Derivatives* *ISAK 26 (Revised 2014) will be effective by 1 January 2015.*	ISAK 26 (Revised 2014) which will be effective on 1 January 2015 (early implementation is prohibited) has incorporated all amendments to IFRIC 9 subsequent to 2009. The amended ISAK 26 will be consistent with IFRIC 9 subesquent to 2009 in all significant respects. Some notable differences prior the amendments are as follow: • IFRIC 9 provides clarification that the standard is not apply for embedded derivative in contracts acquired from business combination; • IFRIC 9 provides clarification on the accounting for embedded derivatives when a financial asset is reclassified out of the 'fair value through profit or loss' (FTVPL) category.
IFRIC 10	*Interim Financial Reporting and Impairment*	**ISAK 17**	*Interim Financial Reporting and Impairment*	ISAK 17 is consistent with IFRIC 10 in all significant respects.
IFRIC 12	*Service Concession Arrangements*	**ISAK 16**	*Service Concession Arrangements*	ISAK 16 is consistent with IFRIC 12 in all significant respects.

IFRIC / SIC		ISAK		Differences
IFRIC 13	*Customer Loyalty Programmes*	**ISAK 10**	*Customer Loyalty Programmes*	ISAK 10 is consistent with IFRIC 13 in all significant respects. On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes IFRIC 13.
IFRIC 14	*IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	**ISAK 15**	*PSAK 24 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	There are several amendments made to IFRIC 14 which have not been absorbed by ISAK 15. There are differences in determining "the economic benefit available as a reduction in future contributions" in the condition of no minimum funding requirement or with a minimum funding requirement. Under the IFRIC 14, any surplus arising from voluntary pre-payment of minimum funding contribution in respect of future service should be recognised as an asset when there is a minimum funding requirement.

IFRIC / SIC		ISAK		Differences
IFRIC 15	*Agreements for the Construction of Real Estate*	**PSAK 44**	*Accounting for Real Estate Development*	There are differences in the accounting for real estate development between PSAK 44 and IFRIC 15. PSAK 44 regulates specific provisions with regard to revenue recognition of different types of real estate development, cost components, allowance allocation and disclosures. IFRIC 15 however is a broader interpretation of the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. IFRIC 15 addresses whether the agreement falls within the scope of IAS 11 (Construction Contracts) or IAS 18 (Revenue) and when the revenue from the construction of real estate should be recognised On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes IFRIC 15.

IFRIC / SIC		ISAK		Differences
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*	**ISAK 13**	*Hedges of a Net Investment in a Foreign Operation*	ISAK 13 is consistent with IFRIC 16 in all significant respects.
IFRIC 17	*Distributions of Non-cash Assets to Owners*	**ISAK 11**	*Distributions of Non-cash Assets to Owners*	ISAK 11 is consistent with IFRIC 17 in all significant respects.
IFRIC 18	*Transfers of Assets from Customers*	**ISAK 27**	*Transfers of Assets from Customers*	ISAK 27 is consistent with IFRIC 18 in all significant respects. On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes IFRIC 18.
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*	**ISAK 28**	*Extinguishing Financial Liabilities with Equity Instruments*	ISAK 28 is consistent with IFRIC 19 in all significant respects.
IFRIC 20	*Stripping costs in the production phase of a surface mine*	**ISAK 29**	*Stripping costs in the production phase of a surface mine*	ISAK 29 is consistent with IFRIC 20 in all significant respects.
IFRIC 21	*Levies*		*No equivalent interpretation under PSAK.*	IFRIC 21 has not been adopted in Indonesia. For IFRS reporters, it is effective from 1 January 2014. IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.
SIC-7	*Introduction of the Euro*		*No equivalent interpretation under PSAK.*	SIC 7 is not adopted. For IFRS reporters, it is effective from 1 January 1998.

IFRIC / SIC		ISAK		Differences
SIC-10	*Government Assistance-No Specific Relation to Operating Activities*	**ISAK 18**	*Government Assistance-No Specific Relation to Operating Activities*	ISAK 18 is consistent with SIC 10 in all significant respects.
SIC-12	*Consolidation-Special Purpose Entities*	**ISAK 7**	*Consolidation-Special Purpose Entities* *ISAK 7 will be replaced by PSAK 65 Consolidated Financial Statements by 1 January 2015*	ISAK 7 is consistent with SIC 12 in all significant respects. The issuance of IFRS 10 has superseded SIC 12. All the related consolidation matters are now in the scope of IFRS 10. For IFRS reporters, IFRS 10 has been effective since 1 January 2013.
SIC-13	*Jointly Controlled Entities-Non-Monetary Contributions by Venturers*	**ISAK 12**	*Jointly Controlled Entities-Non-Monetary Contributions by Venturers* *ISAK 12 will be replaced by PSAK 66 Joint Arrangement by 1 January 2015*	ISAK 12 is consistent with SIC 13 in all significant respects. The issuance of IFRS 11 has superseded SIC 13. For IFRS reporters, IFRS 11 has been effective since 1 January 2013.
SIC-15	*Operating Leases-Incentives*	**ISAK 23**	*Operating Leases-Incentives*	ISAK 23 is consistent with SIC 15 in all significant respects.
SIC-25	*Income Taxes-Changes in the Tax Status of an Entity or its Shareholders*	**ISAK 20**	*Income Taxes-Changes in the Tax Status of an Entity or its Shareholders*	ISAK 20 is consistent with SIC 25 in all significant respects.
SIC-27	*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	**ISAK 24**	*Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	ISAK 24 is consistent with SIC 27 in all significant respects.

IFRIC / SIC		ISAK		Differences
SIC-29	*Service Concession Arrangements: Disclosures*	**ISAK 22**	*Service Concession Arrangements: Disclosures*	ISAK 22 is consistent with SIC 29 in all significant respects.
SIC-31	*Revenue-Barter Transactions Involving Advertising Services*	-	*No equivalent interpretation under PSAK.*	SIC-31 is not adopted. On May 2014, the IASB has issued IFRS 15. The standard will be effective on 1 January 2017 and early application is permitted. IFRS 15 supersedes SIC 31.
SIC-32	*Intangible Assets-Web Site Costs*	**ISAK 14**	*Intangible Assets-Web Site Costs*	ISAK 14 is consistent with SIC 32 in all significant respects.

*) "IFRIC" in this publication refers to IFRIC including SIC as issued by IASB as of 1 January 2009 unless otherwise stated.

There are other specific PSAKs that have no equivalent standards under IFRS i.e.:

PSAK 38: "Akuntansi Restrukturisasi Entitas Sepengendali" / *Accounting for Restructuring Under Common Control Entities*

The objective of this standard is to specify the accounting for restructuring under common control entities which has not been covered by PSAK 22 "Business Combinations".

A restructuring transaction which occurred within under common control entities is considered to have no economic substance, despite any legal form transfer between the entities.

PSAK 45: "Pelaporan Keuangan Entitas Nirlaba" / *Financial Reporting for Non-Profit Organisations*

The objective of this standard is to specify the financial reporting for non-profit organisations.

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