

Otoritas Jasa Keuangan, Ikatan Akuntan Indonesia and IFRS Foundation
Joint Statement
25 May 2016, Jakarta

Representatives of Otoritas Jasa Keuangan (Indonesia Financial Services Authority “OJK”), Ikatan Akuntan Indonesia (Institute of Indonesia Chartered Accountants “IAI”) and the Trustees of the IFRS Foundation, held a trilateral meeting in Jakarta, Indonesia on 25 May 2016 led by representatives OJK-IAI-IFRS, Muliaman D. Hadad, Rosita Uli Sinaga, Michel Prada and Hans Hoogervorst. The meeting was part of a programme of events organised by the three parties, alongside the full meeting of the Trustees, taking place historically for the first time ever in Indonesia.

The organisation of the events is a reflection of the parties’ continued support for the objective of high quality global accounting standards. It is also an acknowledgment of Indonesia’s commitment to moving forward with the IFRS convergence process.

IFRS convergence in Indonesia, led by Dewan Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards Board “DSAK”) of the IAI as the recognised accounting standard-setter in Indonesia, has achieved a significant milestone in 2015, reducing to one year the gap between the effective dates of new IFRS Standards and converged Indonesian standards, known as Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards “SAK”). As the regulator of Financial Services in Indonesia, the OJK ensures that the financial reports of companies under its supervision are prepared in accordance with Indonesian Financial Accounting Standards.

Working towards global accounting standards

All parties agreed on the importance of the G20-endorsed objective of a single set of high quality global accounting standards and the benefits they bring to the world economy. More than 80 per cent of 143 surveyed jurisdictions by the IFRS Foundation have already chosen to require the use of IFRS Standards by public companies, while most of the remaining jurisdictions either now permit the use of IFRS Standards or are well advanced in their transition plans.

All parties believe that IFRS Standards have an important role to play in helping to achieve the ‘ASEAN Economic Community Blueprint 2025’ by increasing the attractiveness of the ASEAN region and creating an open, transparent, and predictable investment regime. Moreover, representatives of the OJK and the IAI reaffirmed Indonesia’s long-term objective towards achieving full convergence with IFRS Standards and the steps required to achieve this goal.

The Trustees welcomed the significant progress Indonesia has made since it began its programme in 2008 to converge the SAK with IFRS Standards as well as Indonesia’s continued support for the work of the IFRS Foundation.

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Enhancing continued cooperation

All parties recognise that IFRS Standards must be capable of being applied on a globally consistent basis, and able to meet the needs of jurisdictions at different stages in their economic development. In that regard, the Trustees welcomed the active participation of IAI – particularly through the DSAK, in among others, the Asian-Oceanian Standard-Setters Group (AOSSG), the International Forum of Accounting Standard-Setters (IFASS), and the IASB's Emerging Economies Group (EEG).

At the national level, the signing of the 2015 Memorandum of Understanding between OJK and IAI in developing the accountancy profession, including the quality of financial reporting in Indonesia, provided a framework for the IFRS convergence process and its implementation in Indonesia. This framework will allow Indonesia to play a more focused role in the development of global accounting standards.

As a follow up of the Memorandum of Understanding, OJK and IAI will establish a joint working group to explore ways and steps to advance the use of IFRS within Indonesia and other related issues. The Trustees welcomed the creation of the OJK and IAI working group and expressed their commitment to fully support Indonesian stakeholders on the path towards adoption of IFRS Standards.

Furthermore, all parties recognise the importance of the IASB's work to ensure that IFRS Standards are capable of being applied on a globally consistent basis across both emerging and developed economies, and being relevant to all types of financial transactions. The Trustees welcomed the involvement of Indonesian stakeholders in the work of the IASB's Islamic Finance Consultative Group. The Trustees will explore further opportunities to deepen the involvement of Indonesian stakeholders in the work of the IFRS Foundation and the IASB, including in its advisory bodies. Such involvement is fully consistent with the request of the G20 to deepen the participation of emerging economies in the work of the IFRS Foundation and the IASB.

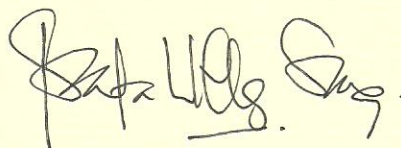
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Otoritas Jasa Keuangan
Board of Commissioner




Muliaman D. Hadad
Chairman

Ikatan Akuntan Indonesia
National Council



Rosita Uli Sinaga
Member

IFRS Foundation



Hans Hoogervorst
Chairman of IASB