



Audit and Assurance

January 2007

IFRS and Indonesian GAAP

A comparison



Audit•Tax•Consulting•Financial Advisory•

About this publication

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If any of the foregoing is not fully enforceable for any reason, the remainder shall nonetheless continue to apply.

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Introduction

This publication is prepared based on authoritative pronouncements issued under IFRS and Indonesian Financial Accounting Standards (PSAK / Indonesian GAAP) up to 1 January 2007.

Authoritative pronouncements issued by the Financial Accounting Standards Board (DSAK) of the Indonesian Institute of Accountants (IAI) up to 1 January 2007 consist of 57 standards (PSAKs), 7 interpretations of standards (ISAKs) and 2 technical bulletins.

Reference

There are 28 PSAKs developed by reference to IAS / IFRS, 20 PSAKs developed by reference to US GAAP Pronouncements, 8 PSAKs self-developed by IAI, and 1 PSAK (Shari'a Banking) developed by reference to Accounting Standards issued by the AAOIFI and relevant local regulations.

Below is a summary of the references used in developing the PSAKs:

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|--|--|
| 1. | PSAK 1 (Revised 1998), <i>Presentation of Financial Statements.</i> | IAS 1 (Revised 1997), <i>Presentation of Financial Statements.</i> |
| 2. | PSAK 2 (1994), <i>Cash Flow Statements.</i> | IAS 7 (Revised 1992), <i>Cash Flow Statements.</i> |
| 3. | PSAK 3 (1994), <i>Interim Financial Reporting.</i> | APB Opinion No. 28 (1973), <i>Interim Financial Statements.</i> |
| 4. | PSAK 4 (1994), <i>Consolidated Financial Statements.</i> | IAS 27 (1989), <i>Consolidated and Separate Financial Statements.</i> |
| 5. | PSAK 5 (Revised 2000), <i>Segment Reporting.</i> | IAS 14 (Revised 1997), <i>Segment Reporting.</i> |
| 6. | PSAK 6 (1994), <i>Accounting and Reporting by Development Stage Enterprises.</i> | SFAS 7 (1975), <i>Accounting and Reporting by Development Stage Enterprises.</i> |
| 7. | PSAK 7 (1994), <i>Related Party Disclosures.</i> | IAS 24 (1984), <i>Related Party Disclosures.</i> |

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|--|--|
| 8. | PSAK 8 (Revised 2003), <i>Events after the Balance Sheet Date.</i> | IAS 10 (1978), <i>Events After the Balance Sheet Date.</i> |
| 9. | PSAK 10 (1994), <i>Transactions in Foreign Currencies.</i> | IAS 21 (Revised 1993), <i>The Effects of Changes in Foreign Exchange Rates.</i> |
| 10. | PSAK 11 (1994), <i>Translation of Financial Statements in Foreign Currencies.</i> | |
| 11. | PSAK 12 (1994), <i>Financial Reporting of Interests in Jointly Controlled Operations and Assets.</i> | IAS 31 (Revised 1990), <i>Financial Reporting of Interests in Joint Ventures.</i> |
| 12. | PSAK 13 (1994), <i>Accounting for Investment.</i> | IAS 25 (1986), <i>Accounting for Investments.</i> |
| 13. | PSAK 14 (1994), <i>Inventories.</i> | IAS 2 (Revised 1993), <i>Inventories.</i> |
| 14. | PSAK 15 (1994), <i>Accounting for Investments in Associates.</i> | IAS 28 (Revised 1989), <i>Accounting for Investments in Associates.</i> |
| 15. | PSAK 16 (1994), <i>Fixed Assets and Other Assets.</i> | IAS 16 (Revised 1993), <i>Property, Plant, and Equipment.</i> |
| 16. | PSAK 17 (1994), <i>Depreciation Accounting.</i> | IAS 4 (1976), <i>Depreciation Accounting.</i> |
| 17. | PSAK 18 (1994), <i>Accounting by Retirement Funds.</i> | <ul style="list-style-type: none"> • IAS 26 (1987), <i>Accounting and Reporting by Retirement Benefit Plans.</i> • Regulations for Pension Plans in Indonesia (especially UU No. 11 / 1992). |
| 18. | PSAK 19 (Revised 2000), <i>Intangible Assets.</i> | IAS 38 (1998), <i>Intangible Assets.</i> |
| 19. | PSAK 21 (1994), <i>Accounting for Equity.</i> | Regulations for Corporations in Indonesia and various SFAS related to equity accounting. |
| 20. | PSAK 22 (1994), <i>Accounting for Business Combinations.</i> | IAS 22 (Revised 1993), <i>Accounting for Business Combinations.</i> |

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|--|--|
| 21. | PSAK 23 (1994), <i>Revenue</i> . | IAS 18 (1993), <i>Revenue</i> . |
| 22. | PSAK 24 (Revised 2004), <i>Employee Benefits</i> . | IAS 19 (Revised 2000), <i>Employee Benefits</i> . |
| 23. | PSAK 25 (1994), <i>Net Profit or Loss for the Period, Fundamental Errors, and Changes in Accounting Policies</i> . | IAS 8 (Revised 1993), <i>Net Profit or Loss for the Period, Fundamental Errors, and Changes in Accounting Policies</i> . |
| 24. | PSAK 26 (Revised 1997), <i>Borrowing Costs</i> . | IAS 23 (Revised 1993), <i>Borrowing Costs</i> . |
| 25. | PSAK 27 (Revised 1998), <i>Accounting for Cooperatives</i> . | Regulations for Cooperatives in Indonesia. |
| 26. | PSAK 28 (Revised 1996), <i>Accounting for Casualty Insurance</i> . | <ul style="list-style-type: none"> • SFAS 60, 91, 97, 113, 120. • Regulations for Insurance in Indonesia. |
| 27. | PSAK 29 (1994), <i>Accounting for Oil and Gas Industry</i> . | <ul style="list-style-type: none"> • SFAS 19, 25, 69. • Regulations for oil and gas in Indonesia. |
| 28. | PSAK 30 (1994), <i>Accounting for Leases</i> . | <ul style="list-style-type: none"> • SFAS 13. • Regulations for leases in Indonesia. |
| 29. | PSAK 31 (Revised 2000), <i>Accounting for Banking Industry</i> . | <ul style="list-style-type: none"> • IAS 30 (1990), <i>Disclosures in the Financial Statements of Banks and Similar Financial Institutions</i>. • Banks for International Settlement (BIS). • Regulations for banking in Indonesia. |
| 30. | PSAK 32 (1994), <i>Accounting for Forestry Enterprises</i> . | Regulations for forestry in Indonesia. |
| 31. | PSAK 33 (1994), <i>Accounting for General Mining Industry</i> . | Regulations for general mining in Indonesia. |
| 32. | PSAK 34 (1994), <i>Accounting for Construction Contracts</i> . | IAS 11 (Revised 1993), <i>Accounting for Construction Contracts</i> . |

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|---|---|
| 33. | PSAK 35 (1994), <i>Accounting for Revenues from Telecommunication Services</i> . | Regulations for telecommunications in Indonesia. |
| 34. | PSAK 36 (1996), <i>Accounting for Life Insurance</i> . | <ul style="list-style-type: none"> • SFAS 60, 81, 91, 97, 113, 120. • Regulations for life insurance in Indonesia. |
| 35. | PSAK 37 (1997), <i>Accounting for Toll Roads</i> . | Regulations for toll road management in Indonesia. |
| 36. | PSAK 38 (Revised 2004), <i>Accounting for Restructuring under Common Control Entities</i> . | APB 16, 29. |
| 37. | PSAK 39 (1997), <i>Accounting for Joint Operations</i> . | Regulations for joint operations in Indonesia. |
| 38. | PSAK 40 (1997), <i>Accounting for Changes in Equity of Subsidiaries / Associates</i> . | Various US GAAP pronouncements. |
| 39. | PSAK 41 (1997), <i>Accounting for Warrants</i> . | <ul style="list-style-type: none"> • APB Opinion 14 (1969), <i>Accounting for Convertible Debt and Debt Issued with Stock Purchase Warrants</i>. • Regulations of the Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (Bapepam-LK). |
| 40. | PSAK 42 (1997), <i>Accounting for Securities Trading Companies</i> . | <ul style="list-style-type: none"> • SFAS 12 • Regulations of the Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (Bapepam-LK). |
| 41. | PSAK 43 (1997), <i>Accounting for Factoring</i> . | <ul style="list-style-type: none"> • SFAS 77, <i>Reporting by Transferor for Transfers of Receivables with Recourse</i> • Regulations of the Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (Bapepam-LK). |

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|--|---|
| 42. | PSAK 44 (1997), <i>Accounting for Real Estate Development.</i> | SFAS 66, <i>Accounting for Sales of Real Estate.</i> |
| 43. | PSAK 45 (1997), <i>Financial Reporting in Not-for-Profit Organizations.</i> | SFAS 117, <i>Financial Statements of Not-for-Profit Organizations.</i> |
| 44. | PSAK 46 (1997), <i>Accounting for Income Taxes.</i> | IAS 12 (1996), <i>Income Taxes.</i> |
| 45. | PSAK 47 (1998), <i>Accounting for Land.</i> | Regulations for Land in Indonesia. |
| 46. | PSAK 48 (1998), <i>Impairment of Assets.</i> | IAS 36 (1998), <i>Impairment of Assets.</i> |
| 47. | PSAK 49 (1998), <i>Accounting for Mutual Funds.</i> | Regulations for mutual funds in Indonesia. |
| 48. | PSAK 50 (1998), <i>Accounting for Investment in Certain Securities.</i> | SFAS 115, <i>Accounting for Certain Investments in Debt and Equity Securities.</i> |
| 49. | PSAK 51 (Revised 2003), <i>Accounting for Quasi-Reorganizations.</i> | ARB 43, Ch. 7: <i>Capital Accounts, Section A: Quasi Reorganizations or Corporate Readjustment.</i> |
| 50. | PSAK 52 (1998), <i>Accounting for Reporting Currencies.</i> | SFAS 52, <i>Foreign Currency Translation.</i> |
| 51. | PSAK 53 (1998), <i>Accounting for Stock-Based Compensation.</i> | SFAS 123, <i>Accounting for Stock-Based Compensation.</i> |
| 52. | PSAK 54 (1998), <i>Accounting for Troubled Debt and Receivable Restructuring.</i> | SFAS 15, <i>Accounting by Debtors and Creditors for Troubled Debt Restructuring.</i> |
| 53. | PSAK 55 (Revised 1999), <i>Accounting for Derivative Instruments and Hedging Activities.</i> | SFAS 133, <i>Accounting for Derivatives Instruments and Hedging Activities.</i> |

| No. | Indonesian GAAP (PSAK) | Reference |
|-----|---|---|
| 54. | PSAK 56 (1999), <i>Earnings per Share</i> . | IAS 33 (1997), <i>Earnings per Share</i> . |
| 55. | PSAK 57 (2000), <i>Provisions, Contingent Liabilities and Contingent Assets</i> . | IAS 37 (1998), <i>Provisions, Contingent Liabilities and Contingent Assets</i> . |
| 56. | PSAK 58 (Revised 2003), <i>Discontinued Operations</i> . | IAS 35 (1998), <i>Discontinuing Operations</i> . |
| 57. | PSAK 59 (2002), <i>Accounting for Shari'a Banking</i> . | <ul style="list-style-type: none"> • <i>Fatwa</i> of the Indonesian Council of Ulemas (MUI). • Conceptual Framework for the Preparation and Presentation of Financial Statements for <i>Shari'a</i> Transactions. • Accounting Standards issued by the AAOIFI. |

Limitation

- This comparison does not attempt to capture all of the differences that exist or that may be material to a particular entity's financial statements. Our focus is on differences that are commonly found in practice.
- The comparison of PSAKs for specific industries only covers the difference in scope.
- The significance of these differences – and others not included in this list – will vary with respect to individual entities, depending on such factors as the nature of the entity's operations, the industry in which it operates, and the accounting policy choices it has made. Listed companies in Indonesia must also follow regulations issued by the Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (Bapepam-LK).
- Reference to the underlying accounting standards and any relevant national regulations is essential in understanding the specific differences.

Abbreviations

Abbreviations used in this publication are as follow:

| | |
|------------|--|
| AAOIFI | Accounting and Auditing Organization for Islamic Financial Institutions (Bahrain) |
| APB | Accounting Principles Board (US) |
| ARB | Accounting Research Bulletins (US) |
| Bapepam-LK | <i>Badan Pengawas Pasar Modal dan Lembaga Keuangan / Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (INA)</i> |
| DSAK | <i>Dewan Standar Akuntansi Keuangan / Financial Accounting Standards Board (INA)</i> |
| IAI | <i>Ikatan Akuntan Indonesia / Indonesian Institute of Accountants (INA)</i> |
| IAS | International Accounting Standards |
| IFRS | International Financial Reporting Standards |
| ISAK | Interpretasi Standar Akuntansi Keuangan (INA) |
| MUI | <i>Majelis Ulama Indonesia / Indonesian Council of Ulemas (INA)</i> |
| PSAK | <i>Pernyataan Standar Akuntansi Keuangan / Statement of Financial Accounting Standards (INA)</i> |
| SFAS | Statement of Financial Accounting Standards (US) |

Comparison of International Financial Reporting Standards (IFRS) and Indonesian GAAP

| Topic | IFRS | Indonesian GAAP |
|---------------------|---|---|
| Presentation | | |
| Literature | IAS 1, <i>Presentation of Financial Statements</i> . | <ul style="list-style-type: none"> PSAK No. 1 (Rev. 1998), <i>Presentation of Financial Statements</i>. PSAK No. 25 (1994), <i>Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies</i>. |
| Compliance | Requires an explicit and unreserved statement of compliance with IFRS. Financial statements shall not be described as complying with IFRS unless they comply with all the requirements of IFRS. | <p>Listed companies are required to comply with Indonesian GAAP (PSAK) and with the rules and regulations of the Indonesian Capital Market and Non-Bank Financial Institution Supervisory Agency (Bapepam-LK).</p> <p>Companies in certain industries (such as banking, insurance, etc) are required to comply with regulatory reporting requirements issued by the relevant authorities.</p> |
| Timeliness | No specific requirements. | Enterprises are recommended to issue financial statements within 4 months after the balance sheet date. |

| Topic | IFRS | Indonesian GAAP |
|--------------------------------|--|--|
| Balance Sheet Format | Current and non-current classification of assets and liabilities required on the face of the balance sheet, except where a presentation based on liquidity provides information that is reliable and more relevant. Where this exception applies, assets and liabilities should be presented in the balance sheet broadly in order of liquidity. | Requires current / non-current presentation in order of liquidity, except for certain industries. |
| Statement of Changes In Equity | <p>Choice between:</p> <ul style="list-style-type: none"> a. Presenting a statement of recognized income and expenses (excluding transactions with equity holders) as a primary statement, with a comprehensive reconciliation of all movements in equity presented in the notes; or b. Presenting a comprehensive statement of all changes in equity. <p>Whichever format is selected:</p> <ul style="list-style-type: none"> a. Entity is required to present a separate line item "Total income and expenses for the period", calculated as the total of profit or loss for the period and other items of income and expenses recognized directly in equity. | <p>All changes in equity must be presented in the statement of changes in equity.</p> <p>Not required under PSAK</p> |

| Topic | IFRS | Indonesian GAAP |
|-----------------------------------|--|--|
| | b. Total amount of income and expenses attributable to equity holders of the parent and to minority interest. | Not required under PSAK. Minority interest is not part of equity. |
| Descriptive Title for Net Results | The term "Profit or loss" is used to describe the entity's results of operations. | Use "Net profit or loss" as the descriptive term for the entity's results of operations. |
| Extraordinary Items | Prohibited. | Required if criteria (unusual and infrequent) are met. Presented separately on the face of the income statement after profit from ordinary activities. |
| Minority Interest | a. <i>Balance sheet</i> : presented as a separate component of equity. b. <i>Income statement</i> : net profit for the period is allocated between amounts attributable to equity holders of the parent and the amount attributable to minority interests. | a. <i>Balance sheet</i> : presented separately between liabilities and equity. b. <i>Income statement</i> : presented as separate line item on the income statement to arrive at net income. |
| Definition of Current Assets | An asset shall be classified as current when it satisfies any of the following criteria: a. it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle; b. it is held primarily for the purpose of being traded; | An asset is classified as a current asset when it: a. is expected to be realized in, or is held for sale or consumption in, the normal course of the enterprise's operating cycle; or b. is held primarily for trading purposes or for the short term and expected to be realized within twelve months of the balance sheet date; or |

| Topic | IFRS | Indonesian GAAP |
|--|---|---|
| | <p>c. it is expected to be realized within twelve months after the balance sheet date; or</p> <p>d. it is cash or a cash equivalent (as defined in IAS 7 <i>Cash Flow Statements</i>) unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.</p> <p>All other assets shall be classified as non-current.</p> | <p>c. is cash or cash equivalent asset which <i>is not restricted in its use</i>.</p> <p>All other assets should be classified as non-current assets.</p> <p><i>Note:</i> The above definition does not clarify the nature or term of restriction i.e., any restriction, even short-term, may suggest non current classification.</p> |
| Definition of Current Liabilities | <p>Definition has been expanded to include liabilities:</p> <p>a. held primarily for the purpose of being traded; and</p> <p>b. where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months from balance sheet date.</p> | PSAK does not have such expanded definition. |
| Classification of liabilities on refinancing | Non-current if refinancing is completed <i>before balance sheet date</i> . | <p>Long-term liability, if:</p> <p>a. the original term of the agreement was for a period longer than twelve months; and</p> |

| Topic | IFRS | Indonesian GAAP |
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| | | <p>b. the company intends to refinance the liability with long-term financing, which is supported by a refinancing or rescheduling agreement that is formally approved <i>before the financial statements are authorized for issue</i>.</p> |
| Classification of liabilities due on demand due to violation of debt covenant | Non-current if the lender has granted a 12-month waiver before the balance sheet date. | No specific guidance. |
| Disclosures Required of Judgments, Key Sources of Estimation Uncertainty, and Management of Capital | <p>The judgments, apart from those involving estimations, that management has made and have the most significant effect in the financial statements.</p> <p>Information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.</p> <p>Information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital.</p> | <p>No specific requirement.</p> <p>No specific requirement.</p> <p>No specific requirement.</p> |

| Topic | IFRS | Indonesian GAAP |
|---|--|--|
| Cash Flows | | |
| Literature | IAS 7, <i>Cash Flow Statements</i> . | PSAK No. 2 (1994), <i>Cash Flow Statements</i> . |
| Method | May be prepared using either the direct method (recommended) or the indirect method. | Similar to IFRS. Listed companies are required to use direct method. |
| Cash Flows Related to Extraordinary Items | Extraordinary items prohibited in IFRS. | Classified as cash flows from operating, investing or financing activities as appropriate, and separately disclosed. |

| Topic | IFRS | Indonesian GAAP |
|--|---|--|
| Interim Financial Reporting | | |
| Literature | IAS 34, <i>Interim Financial Reporting</i> . | PSAK No. 3 (1994), <i>Interim Financial Reporting</i> . |
| Scope | <p>The standard applies when the entity is required or elects to publish interim financial statements in accordance with IFRS.</p> <p>Local regulators (not IAS 34) mandate which entities should publish interim financial reports, how frequently, and how soon after the end of interim period.</p> | <p>Applied to enterprises required by local regulators to present interim financial statements.</p> <p>Industries which have specific financial accounting standards, such as banking, should follow the relevant standard.</p> |
| Recognition | Interim period considered "discrete". | Interim period considered "integral". |
| Form and Content of Interim Financial Statements | <p>An interim financial report shall include, at a minimum, the following components:</p> <ol style="list-style-type: none"> a. condensed balance sheet; b. condensed income statement; c. condensed statement showing either (i) all changes in equity or (ii) changes in equity other than those arising from capital transactions with owners and distributions to owners; d. condensed cash flow statement; and e. selected explanatory notes. | <p>Par 19 states "<i>Interim financial statements consist of a balance sheet, income statement, interim retained earnings, statement of cash flows, and notes to financial statements</i>".</p> <p>Par 2(b) states in part that "<i>Interim financial statements... and should include all components of a financial statement in conformity with current financial accounting standards</i>".</p> |

| Topic | IFRS | Indonesian GAAP |
|-------------------------|---|---|
| | <p>If a complete set of interim financial statements is published, the form and content of those statements shall conform to the requirements of IAS 1 for a complete set of financial statements.</p> | |
| Comparative Information | <p>Interim reports shall include interim financial statements (condensed or complete) for periods as follows:</p> <ol style="list-style-type: none"> a. balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding financial year; b. income statements for the current interim period and cumulatively for the current financial year to date, with comparative income statements for the comparable interim periods (current and year-to-date) of the immediately preceding financial year; c. statement showing changes in equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year; and | <p>PSAK No. 3 does not specify the comparative period that should be presented.</p> <p>For listed companies, Bapepam-LK requires that for interim financial statements and comparatives should be presented for the comparable prior period. Interim income statement should include the results from the beginning of the year up to the date of the interim reporting period.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | <p>d. cash flow statement cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.</p> | |
| Uniform Accounting Policy | <p>Same accounting policies as annual should be applied, except for certain accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements.</p> | <p>Broadly similar, except for inventories, in which the following guidance applies:</p> <ol style="list-style-type: none"> a. enterprises that during the interim period use the estimated gross profit method in determining inventory value, or other methods different from those used for annual inventory valuation, should disclose that fact in interim financial statements; b. enterprises using a standard cost in inventory valuation need not report the variances or differences to actual costs if the differences are not material or are expected to be made up by the end of a year. The effect of unplanned and unexpected variances should be reported at the end of the interim period using the same procedure used at the end of the year; |

| Topic | IFRS | Indonesian GAAP |
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| | | c. losses from market price decline should not be deferred to a later period. Price recoveries should be recognized as gains in subsequent interim periods; the gain recognized should not exceed the losses charged in prior periods. |
| Measuring Interim Income Tax Expenses | Interim period income tax is calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate. | General guidance is provided in par. 8 which states: <i>"At the end of an interim accounting period, an enterprise should prepare an estimation of income tax expense and charge this to the interim period. Income tax calculation should conform with accounting policies applied in the year-end income tax calculation".</i> |
| Extraordinary Items | Prohibited. | Disclosed separately and included in the determination of net income for the interim period in which they occur. |
| Disclosures | Provides guidance on the information that, as a minimum, should be disclosed in the explanatory notes. | Explanatory notes are less extensive than IFRS. |

| Topic | IFRS | Indonesian GAAP |
|---|---|--|
| Consolidation | | |
| Literature | <ul style="list-style-type: none"> • IAS 27, <i>Consolidated and Separate Financial Statements</i>. • SIC 12, <i>Consolidation – Special Purpose Entities</i>. | <ul style="list-style-type: none"> • PSAK No. 4 (1994), <i>Consolidated Financial Statements</i>. • ISAK No. 7 (2004), <i>Interpretation of par 5 and 19 PSAK No. 4 regarding Consolidation of SPE</i>. |
| Consolidated Financial Statements Preparation | <p>Consolidated financial statements must include “all” subsidiaries. However, if on acquisition a subsidiary meets the criteria as held for sale, it should be accounted for as such under IFRS 5.</p> <p>A parent need not present consolidated financial statements if and only if:</p> <ol style="list-style-type: none"> a. the parent is itself a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and its other owners have been informed about and do not object to the parent not presenting consolidated financial statements; | <p>Consolidated financial statements must include all subsidiaries, except:</p> <ol style="list-style-type: none"> a. where control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to subsequent disposal in the near future; or b. the subsidiary operates under severe long-term restriction which significantly impair its ability to transfer funds to the parent. <p>No similar provisions under PSAK.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | <ul style="list-style-type: none"> b. the parent's securities are not traded in a public market; c. the parent is not in the process of issuing securities in a public market; and d. the ultimate or any intermediate parent of the parent produces consolidated financial statements that comply with IFRS. | |
| Potential Voting Rights | Effect of potential voting rights currently exercisable or convertible should be considered when assessing control. | No specific requirement. |
| Separate Financial Statements of Parent Entity | <p>When an entity elects, or is required by local regulations, to present separately financial statements, investment in subsidiary should be accounted for either:</p> <ul style="list-style-type: none"> a. at cost; or b. in accordance with IAS 39. | Investment in subsidiary should be accounted for using equity method when the parent presents separate financial statements as additional information to the consolidated financial statements. |

| Topic | IFRS | Indonesian GAAP |
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| Related Party Disclosure | | |
| Literature | IAS 24, <i>Related Party Disclosures</i> . | PSAK No. 7 (1994), <i>Related Party Disclosures</i> . |
| Related Party | Related parties are parties that control or have significant influence over the reporting entity (including parent companies, owners and their families, major investors, and key management personnel) and parties that are controlled or significantly influenced by the reporting entity (including subsidiaries, joint ventures, associates, and post-employment benefit plans). | Similar to IFRS, except that PSAK does not provide guidance for the following, which are considered related parties under IFRS: <ul style="list-style-type: none"> a. parties with joint control over the entity; b. joint ventures in which the reporting entity is a venturer; and c. post-employment benefit plan for the benefits of employees of the entity, or of an entity that is related to that entity. |
| Disclosures | Required disclosures: <ul style="list-style-type: none"> a. Relationships involving common control, even when there have been no transactions. b. Related party transactions. c. Management compensation (including an analysis by type of compensation). | Substantially similar to IFRS except that: <ul style="list-style-type: none"> a. Analysis by type of management compensation is not required. b. The amount "or" proportion of outstanding balances can be disclosed. c. No specific requirement to disclose the expense recognized for the period in respect of bad debts due from related parties (required for public companies). |

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| | <p>For related party transactions, disclosure is required of the nature of relationship and of sufficient information to enable an understanding of the potential effect of the transaction. The amount of transactions and balances must be disclosed. <i>Disclosure of the proportion of amounts and balances is no longer sufficient.</i></p> | |
| Parties not Considered Related | <p>The following are not necessarily related parties:</p> <ol style="list-style-type: none"> a. two entities which have director or other member of key management personnel in common; b. two venturers simply because they share joint control over a joint venture; c. providers of finance, trade unions, public utilities, government departments and agencies, simply by virtue of their normal dealings with the entity; and d. a single customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business, merely by virtue of the resulting economic dependence. | <p>Similar to IFRS, except that two entities which have director or other member of key management personnel in common to the reporting entity are deemed to be related.</p> |

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| State-controlled Entities | State-controlled entities are within the scope of IFRS (i.e., those that are profit-oriented are no longer exempted from disclosing transactions with other state-controlled entities). | <p>Government departments and agencies, or public utilities are not regarded as related parties in the course of their normal dealings with the reporting entity.</p> <p>PSAK does not provide guidance in respect of State-controlled entities.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Effects of Changes in Foreign Exchange Rates | | |
| Literature | IAS 21, The Effects of Changes in Foreign Exchange Rates. | <ul style="list-style-type: none"> • PSAK No. 10 (1994), Transactions in Foreign Currencies. • PSAK No. 11 (1994), Translation of Financial Statements in Foreign Currencies. • PSAK No. 52 (1998), Accounting for Reporting Currencies. • ISAK No. 04 (1997), Interpretation of par 32 PSAK No. 10 regarding Alternative Treatment for Foreign Exchange Differences. |
| General Guidance in Determining Functional Currency | <p>The standard provides (i) primary indicators (par. 9), (ii) secondary indicators in par. 10, and (iii) additional indicators in par. 11.</p> <p>When the indicators are mixed and the functional currency is not obvious, management uses judgment on which priority is given to the primary indicators.</p> <p>Primary indicators are:</p> <ol style="list-style-type: none"> a. The currency: <ol style="list-style-type: none"> i. that mainly influences sales prices for goods and services; and ii. of the country whose competitive forces and regulations mainly determine the sales prices. | <p>No hierarchy.</p> <p>The following indicators should be met cumulatively:</p> <ol style="list-style-type: none"> a. Cash flow indicator; b. Sales price indicator; and c. Costs indicator. |

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| | <p>b. The currency that mainly influences labor, material and other costs.</p> <p>Secondary indicators are:</p> <p>a. The currency in which funds from financing activities are generated.</p> <p>b. The currency in which receipts from operating activities are usually retained.</p> | |
| Measurement and Presentation Currency | <p>Functional currency is used as the measurement currency.</p> <p>Presentation currency may be a currency other than the functional currency.</p> | <p>Normally, measurement and presentation currency is the Rupiah. Other currencies may be used as measurement and presentation currency provided they meet the functional currency criteria.</p> |
| Allowed Alternative Treatment of Exchange Differences | <p>Allowed alternative treatment of capitalizing foreign exchange has been removed. All Foreign exchange differences are recognized in profit and loss.</p> | <p>Exchange differences from a severe devaluation or depreciation, against which there is no practical means of hedging, can be added to the carrying amount of the related asset.</p> |
| Reporting in Hyperinflationary Economy | <p>Financial statements of the foreign entity should be restated. Special rules apply.</p> | <p>No specific guidance.</p> |

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| Investment in Joint Ventures | | |
| Literature | IAS 31, <i>Interests in Joint Ventures</i> . | PSAK No. 12 (1994), <i>Financial Reporting of Interests in Jointly Controlled Operations and Assets</i> . |
| Types of Joint Ventures Governed | <ul style="list-style-type: none"> a. Jointly controlled operations; b. Jointly controlled assets; and c. Jointly controlled entities. | <ul style="list-style-type: none"> a. Jointly controlled operations; and b. Jointly controlled assets. |
| Investment in Jointly Controlled Assets | <p>A venturer shall recognize in its financial statements:</p> <ul style="list-style-type: none"> a. its share of the jointly controlled assets, classified according to the nature of the assets; b. any liabilities that it has incurred; c. its share of any liabilities incurred jointly with the other venturers in relation to the joint venture; d. any income from the sale or use of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and e. any expenses that it has incurred in respect of its interest in the joint venture. | <p>Similar to IFRS, except that if such proportionate consolidation is not practical, the equity method may be applied.</p> |

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| | Financial statements may not be prepared for the joint venture, although the venturer may prepare management account to assess the performance of the joint venture. | A separate financial statement should be prepared for the joint venture if the amount is material and the completion of the joint project is over a long period. |
| Investment in Jointly Controlled Entities | Equity method or proportionate consolidation. | No specific guidance. |
| Separate Financial Statements of the Venturer | <p>Accounted for either:</p> <ol style="list-style-type: none"> a. at cost; or b. under IAS 39, <i>Financial Instruments: Recognition and Measurement</i>. <p>Investments in jointly controlled entities that are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 shall be accounted for in accordance with that IFRS.</p> | No specific guidance. |
| Financial Statements of an Investor | <p>The interest of an investor in a joint venture, who does not have joint control, should be reported either:</p> <ol style="list-style-type: none"> a. in accordance with IAS 28, <i>Investments in Associates</i>, only if the investor has significant influence; or b. in accordance with IAS 39, <i>Financial Instruments: Recognition and Measurement</i>. | <p>The interest of an investor in a joint venture, who does not have joint control, should be reported either:</p> <ol style="list-style-type: none"> a. in accordance with PSAK No. 13, <i>Accounting for Investments</i>; or b. in accordance with PSAK No. 15, <i>Accounting for Investments in Associates</i>, if the investor has significant influence. |

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| Investment Property | | |
| Literature | IAS 40, <i>Investments Property</i> . | PSAK No. 13 (1994), <i>Investments</i> . * * <i>DSAK IAI has issued ED PSAK No. 13 (2006), Investment Property, which complies with IAS 40, Investment Property, and will replace PSAK No. 13 (1994), Investment.</i> |
| Initial Measurement | At cost, including transactions costs. Such cost should not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy. | Recognized at cost when acquired. PSAK does not clarify components of cost. |
| Subsequent Measurement | <p>a. <i>Fair value model</i> – investment property is measured at fair value, with changes in fair value recognized in income statement; or</p> <p>b. <i>Cost model</i> – investment property is measured at depreciated cost less any accumulated impairment losses. Fair value of investment property must still be disclosed.</p> | Investments classified as long-term assets are carried at cost, adjusted for significant reductions or permanent decline in value. |
| Property Held under an Operating Lease | May be classified and accounted for as investment property if, and only if, the property would otherwise meet the definition of investment property and the lessee uses the fair value model. | No specific requirement. |

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| Inventories | | |
| Literature | IAS 2, <i>Inventories</i> . | PSAK No. 14 (1994), <i>Inventories</i> . |
| Cost Formula | FIFO, weighted average. LIFO is prohibited. | FIFO, LIFO, weighted average. |
| Purchase of Inventory With Deferred Settlement Terms | When inventories are purchased with deferred settlement terms, the difference between the purchase price for normal credit terms and the amount paid is recognized as interest expense over the period of financing. | No specific guidance. |
| Same Cost Formula for Similar Inventories | Required to use same cost formula for all inventories having similar nature and use to the entity. | No specific requirement. |
| Foreign Exchange Difference on Cost of Purchase | Does not permit foreign exchange differences to be included in the costs of purchase of inventories. | Cost of purchase may include foreign exchange difference arising directly on the recent acquisition of inventories invoiced in foreign currency. These exchange differences are limited to those resulting from a severe devaluation or depreciation of a currency against which there is no practical means of hedging and that affects liabilities which cannot be settled and which arise on the recent acquisition of the inventories (But if there was a practical means of hedging and the enterprise did not take the chance to hedge, the exchange differences from devaluation should not be included as part of the purchase costs). |

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| Disclosures | <p>Carrying amount of inventories carried at fair value less cost to sell must be disclosed.</p> <p>The amount of any write-down of inventories recognized as expense in the period must be disclosed.</p> <p><i>Notes:</i> <i>IAS 2 eliminates the requirement to disclose the amount of inventories carried at net realizable value.</i></p> | <p>No specific requirement.</p> <p>Carrying amount of inventories carried at net realizable value must be disclosed.</p> |
| Initial Recognition of Agricultural Produce Harvested | Fair value less estimated point-of-sale costs at the point of harvest. | No specific guidance. |

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| Investment in Associates | | |
| Literature | IAS 28, <i>Investments in Associates</i> . | PSAK No. 15 (1994), <i>Accounting for Investments in Associates</i> . |
| Accounting Method | <p>Equity method, except when:</p> <ol style="list-style-type: none"> a. the investment is classified as held for sale in accordance with IFRS 5; b. the exception allowing the parent that also has an investment in an associate not to present consolidated financial statements, applies; or c. all of the following apply: <ol style="list-style-type: none"> i. the investor is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and its other owners have been informed about and do not object to the investor not applying the equity method; ii. the investor securities are not traded in a public market; iii. the investor is not in the process of issuing securities in a public market; and | <p>Equity method, or cost method when:</p> <ol style="list-style-type: none"> a. the associate operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor; or b. the investment is acquired and held exclusively with a view to its disposal in the near future. |

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| | iv. the ultimate or any intermediate parent of the investor produces consolidated financial statements that comply with IFRS. | |
| Potential Voting Rights | The existence and effect of potential voting rights currently exercisable should be considered in assessing significant influence. | No specific requirement. |
| Recognition of Losses | Investor must consider the carrying amount of its investment in the "equity of associate" and its "other long-term interest in associate" when recognizing its share of losses. After the investor interest is reduced to zero, additional losses are provided for and a liability recognized, only to the extent that the investor has incurred legal or constructive obligation or made payments on behalf of the associate. | If an investor's share of losses in an associate equals or exceeds the "carrying amount of investment", the investment is reported at NIL. Additional losses will be accrued by the investor if it has incurred an obligation or if the investor pays the associate's liabilities guaranteed by the investor. No specific guidance in respect of "other long-term interest in associate". |
| Elimination of Unrealized Profit and Losses on Transactions with Associate | Profits resulting from upstream and downstream transactions between an investor and an associate must be eliminated to the extent of the investor's interest in the associate. | PSAK No. 15 does not contain specific guidance. |

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| Uniform Accounting Policies | Requires an investor to make appropriate adjustments to the financial statements of the associate to conform them to the investor's accounting policies. | Similar to IFRS, except that when it was impracticable for such adjustment to be calculated, that fact is generally disclosed. |
| Different Year-Ends | The difference in reporting year-ends of the investor and associate must be no greater than 3 months. | PSAK does not clarify, but common practice is consistent with IFRS. |
| Disclosures | <p>Disclosures required of the following:</p> <ol style="list-style-type: none"> a. the fair value of investments in associates for which there are published price quotations; b. summarized financial information of associates, including the aggregated amounts of assets, liabilities, revenues and profit or loss; c. the reasons why the presumption that an investor does not have significant influence is overcome if the investor holds, directly or indirectly through subsidiaries, less than 20 per cent of the voting or potential voting power of the investee but concludes that it has significant influence; | <p>Disclosure is less comprehensive, consisting of the following:</p> <ol style="list-style-type: none"> a. an appropriate listing and description of significant associates including: the name, location, position, the proportion of ownership interest and, if different, the proportion of voting power held; b. the methods used to account for such investments; and c. the investor's share of any extraordinary or prior period items rising from investee should also be separately disclosed. <p>For listed companies, changes in carrying amount of investment are also disclosed.</p> |

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| | <ul style="list-style-type: none"> d. the reasons why the presumption that an investor has significant influence is overcome if the investor holds, directly or indirectly through subsidiaries, 20 per cent or more of the voting or potential voting power of the investee but concludes that it does not have significant influence; e. the reporting date of the financial statements of an associate, when such financial statements are used in applying the equity method and are as of a reporting date or for a period that is different from that of the investor, and the reason for using a different reporting date or different period; f. the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements or regulatory requirements) on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances; | |

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| | <ul style="list-style-type: none"> <li data-bbox="356 220 664 419">g. the unrecognized share of losses of an associate, both for the period and cumulatively, if an investor has discontinued recognition of its share of losses of an associate; <li data-bbox="356 435 656 576">h. the fact that an associate is not accounted for using the equity method in accordance with paragraph 13; and <li data-bbox="356 592 661 879">i. summarized financial information of associates, either individually or in groups, that are not accounted for using the equity method, including the amounts of total assets, total liabilities, revenues and profit or loss. | |

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| Property, Plant and Equipment | | |
| Literature | IAS 16, <i>Property, Plant and Equipment</i> . | <ul style="list-style-type: none"> • PSAK No. 16 (1994), <i>Fixed Assets and Other Assets</i>.* • PSAK No. 17 (1994), <i>Depreciation Accounting</i>. • PSAK No. 47 (1998), <i>Accounting for Land</i>. <p>* <i>DSAK IAI has issued ED PSAK No. 16 (2004), Fixed Assets, which complies with IAS 16, Property, Plant, and Equipment.</i></p> |
| Subsequent Measurement | <p>a. <i>Cost model</i>: the asset is carried at cost less accumulated depreciation and impairment; or</p> <p>b. <i>Revaluation model</i>: for an asset whose fair value can be measured reliably, the asset is carried at revalued amount less subsequent depreciation and impairment.</p> | Cost method. Revaluation is not permitted, unless allowed by government regulation. |
| Revaluation Model | <p>If a revaluation results in:</p> <p>a. an increase in value, it should be credited to equity.</p> <p>b. an increase in value that represents the reversal of a revaluation decrease of the same asset previously recognized as an expense, it should be recognized as income.</p> | The differences between revaluation amount and carrying amount of the asset should be recognized in equity. |

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| | <p>c. a decrease, it should be recognized as an expense to the extent that it exceeds any amount previously credited to the equity relating to the same asset.</p> | |
| Frequency of Revaluation | <p>Revaluation should be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at balance sheet date.</p> | <p>Does not require carrying out revaluation regularly to reflect the fair value of the asset at each balance sheet date.</p> |
| Measurement at Recognition: Asset Dismantlement, Removal, and Restoration Cost | <p>Cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which an entity incurs as a consequence of installing the item, or as a consequence of using the item during a particular period for purposes other than to produce inventories during that period.</p> | <p>When the purchase of an asset results in the enterprise disbursing dismantling, removal or restoration costs at the end of the asset's useful life, these costs are recognized as an expense over the life of the asset either:</p> <p>a. by deducting the estimated costs in determining the residual value of the asset and thereby increasing the annual depreciation charge. Any resulting negative carrying amount is recognized as a liability; or</p> |

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| | | <p>b. when the estimated costs are not deducted in determining the residual value, by recognizing the costs as a separate expense over the life of the asset such that the liability for these costs is fully provided for at the end of the asset's useful life.</p> |
| Review of Depreciation Method and Useful Life | Should be reviewed at least at each financial year-end. | Should be reviewed periodically. |
| Review of Depreciable Amount (Residual Value) | <p>Should be reviewed at least at each financial year-end.</p> <p>If the residual value increases to an amount equal to or greater than the asset's carrying amount, depreciation charge is zero unless and until the residual value decreases below the asset's carrying amount.</p> | <p>Residual value is estimated at the date of acquisition, or the date of any subsequent revaluation of the asset (only possible based on government regulation).</p> <p>No specific requirement to carry out regular review and no guidance provided to account for subsequent changes in residual value.</p> |
| Component Approach for Depreciation | Components of an asset with differing patterns of benefits "must" be depreciated separately. | When the component assets have differing patterns of benefit, it is "appropriate" to allocate (and depreciate separately) the total expenditures to the component parts if the acquisition cost of each component part can be obtained from the supplier or producer. |

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| Acquisition Cost of a Group of Assets | <p>IAS 16 requires each significant component to be accounted for separately.</p> <p>(Presumably, the cost should be allocated on a reasonable basis, e.g. allocation based on the fair value of each asset).</p> | Determined by allocating the total price based on proportion of the fair value of each asset. |
| Donated Assets | No specific guidance (if the asset is received from Government, should follow IAS 20). | <p>Should be recorded at an estimated price or fair market price.</p> <p><i>Note:</i> <i>PSAK does not define estimated price.</i></p> |
| Major Inspection or Overhaul Costs | <p>Capitalized as a component of the asset if the following recognition criteria are satisfied:</p> <ol style="list-style-type: none"> a. it is probable that future economic benefits associated with the item will flow to the entity; and b. the cost of the item can be measured reliably. | <p>Capitalized, if it can extend the useful life of the asset or will likely provide future economic benefits by increasing:</p> <ol style="list-style-type: none"> a. capacity of the asset; b. quality of production of the asset; or c. standard of performance of the asset. |
| Cost of Replacing Part / Component of PPE | <p>Recognized in the carrying amount of the asset when incurred and the recognition criteria are met.</p> <p>The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IFRS.</p> | Recognized as the acquisition of a separate asset provided the recognition criteria are met. The replaced asset is written off. |

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| Asset Exchange Transactions | All exchanges of property, plant and equipment should be measured at fair value, including exchanges of similar items, unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor asset given up is reliably measurable. | <ul style="list-style-type: none"> a. Exchange of dissimilar asset is recognized at fair value. b. Exchange of similar asset is recorded at cost. Gain or loss recognition is prohibited. |
| Derecognition Date | An entity is required to derecognize the carrying amount of property, plant and equipment that it disposes of on the date the criteria for the sale of goods (IAS 18) would be met. | PSAK No. 16 does not require an entity to use the criteria for the sale of goods set forth in PSAK No. 23 to determine the date on which the entity derecognizes the asset. |
| Deferred Legal Expense on Land Rights | No specific guidance. | Should be reported in the Balance Sheet as Deferred Expenses – Land Rights, separated from other deferred expenses. |
| Amortization Period of Deferred Legal Expense on Land Rights | The treatment should depend on whether the land right represent an operating lease or finance lease and follow IAS 17's requirements in relation to costs incurred for obtaining a lease. | Over the legal period or the useful life of the related land, whichever is shorter. |
| Compensation for Impairment | Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up, shall be included in profit or loss when the compensation becomes receivable. | No specific guidance. In practice, contingent gain is not recognized unless realization is virtually certain. |

| Topic | IFRS | Indonesian GAAP |
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| Intangible Assets | | |
| Literature | IAS 38, <i>Intangible Assets</i> . | PSAK No. 19 (Rev. 2000), <i>Intangible Assets</i> . |
| Definition | An intangible asset is an identifiable non-monetary asset without physical substance. | An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. |
| Identifiability | <p>An asset meets the identifiability criterion in the definition of an intangible asset when it:</p> <ul style="list-style-type: none"> a. is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or b. arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations. | “Identifiability” is not defined. PSAK states that an intangible asset can be distinguished clearly from goodwill if the asset is separable, but the separability is not a necessary condition for identifiability. |
| Initial Recognition | At cost. | Similar to IFRS. |

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| Recognition Criteria | <p>An intangible asset shall be recognized if, and only if:</p> <ol style="list-style-type: none"> a. it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and b. the cost of the asset can be measured reliably. <p>IAS 38 provides additional guidance clarifying that:</p> <ol style="list-style-type: none"> a. the probability recognition criterion is always considered to be satisfied for intangible assets that are acquired separately or in a business combination; and b. the fair value of an intangible asset acquired in a business combination can normally be measured with sufficient reliability to be recognized separately from goodwill. If an intangible asset acquired in a business combination has a finite useful life, there is a rebuttable presumption that its fair value can be measured reliably. | <p>Similar to IFRS.</p> <p>No similar clarifying guidance under PSAK.</p> |

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| Subsequent Expenditures on Acquired In-process Research and Development | <p>IAS 38 clarifies that such expenditure is:</p> <ol style="list-style-type: none"> Recognized as expense when incurred if it is research expenditure. Capitalized if certain criteria are met if it is development expenditure. Added to the carrying amount of acquired in-process research or development project if it is development expenditure that satisfies the recognition criteria. | PSAK does not provide similar clarifying guidance. |
| Exchanges of Assets | <p>Recognized at fair value of the asset or carrying amount of the asset given up, unless:</p> <ol style="list-style-type: none"> the exchange transaction lacks commercial substance; or the fair value of neither the asset received nor the asset given up is reliably measurable. | <ol style="list-style-type: none"> <i>Exchange of dissimilar assets</i> – recognized at fair value of the asset. <i>Exchange of similar assets</i> – recognized at carrying amount of the asset given up. No gain or loss recognized. |
| Acquisition by way of a Government Grant | Recognized at fair value or nominal amount plus any directly attributable expenditure. | No specific guidance. |
| Measurement Subsequent to Initial Recognition | <ol style="list-style-type: none"> Cost model; or Revaluation model. | Cost model. |
| Revaluation of Intangible Assets | Permitted only if an active market exists. | Prohibited. |

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| Amortization Period | <p>a. Intangibles with finite useful life – amortize based on that life. Need to determine the recoverable amount of an intangible asset with finite useful life and that is amortized over a period exceeding 20 years, only when, in accordance with IAS 36, there is an indication that the asset may be impaired.</p> <p>b. Intangibles with indefinite useful life – not amortized but subject to annual impairment test or more frequently whenever there is an impairment indication.</p> | <p>Amortization based on the best estimate of useful life of the intangible assets.</p> <p>There is a rebuttable presumption that the useful life of an intangible asset will not exceed twenty years from the date when the asset is available for use.</p> <p>PSAK requires, as a minimum, an annual calculation of the recoverable amount of an intangible asset whenever the current total estimated useful life of the asset exceeds twenty years from when it became available for use.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Business Combinations | | |
| Literature | IFRS 3, <i>Business Combinations</i> . | PSAK No. 22 (1994), <i>Accounting for Business Combinations</i> . |
| Accounting Method | Only allows the purchase method. | <ul style="list-style-type: none"> a. Purchase method for business combination which is an acquisition. b. Pooling of interest for uniting of interest. |
| Common Control Combination | Common control combination is outside the scope of IFRS 3. In practice, merger accounting (similar to the pooling of interest method) may be adopted. | Common control merger is accounted for at historical amounts similar to pooling of interest method. |
| Measurement of Assets and Liabilities Acquired | All identifiable assets, liabilities, and contingent liabilities acquired are measured at 100% of fair value (irrespective of the extent of any minority interest). | <p>Assets and liabilities acquired should be measured as the aggregate of:</p> <ul style="list-style-type: none"> a. the fair value of the identifiable assets and liabilities acquired as at the date of the exchange transaction to the extent of the acquirer's interest obtained in the exchange transaction; and b. the minority proportion of the pre-acquisition carrying amounts of the assets and liabilities of the subsidiary. |
| Allocation of the Cost of the Business to 'Contingent Liabilities' | Required. | No specific requirement. |

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| Restructuring Provision | Only recognized to the extent that a liability exists at acquisition date. | Recognized only when the general recognition criteria for provisions are met. |
| Liability for Terminating or Reducing the Activities of Acquiree | Recognized as part of allocating the cost of business combination only when the acquiree, at the acquisition date, has an existing liability for restructuring recognized under IAS 37. | Recognized as part of allocating the cost of business combination when, in making an acquisition, the acquirer may have undertaken an obligation to compensate employees of the acquiree for services rendered prior to the acquisition. |
| Subsequent Identification or Changes in Value of Assets and Liabilities | <p>Recognize any adjustments to provisional value of identifiable assets, liabilities or contingent liabilities acquired, or the cost of business combination, within 12 months of the acquisition date, with a corresponding adjustment to goodwill.</p> <p>Adjustment after the initial accounting is complete should be recognized in earnings unless it is a correction of error.</p> | <p>Adjustment to fair values or recognition of assets and liabilities not previously recognized can be adjusted against goodwill up to the end of the first annual accounting period (excluding interim periods) commencing after the acquisition.</p> <p>Any subsequent adjustment should be recognized in earnings unless it is a correction of error.</p> |
| Definition of Goodwill | Goodwill is the difference between the fair value of the cost of business combination and the fair value of the assets, liabilities and <i>contingent liabilities</i> acquired. | Goodwill is the excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable assets and liabilities acquired as at the date of the exchange transaction. |

| Topic | IFRS | Indonesian GAAP |
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| Amortization of Goodwill | Goodwill should not be amortized, but should be tested for impairment annually. | <p>Amortized over its useful life, a period that should not exceed 5 years except that a longer period, but not exceeding 20 years, can be used when there is a justifiable basis.</p> <p>The unamortized balance should be reviewed at the end of each period and written off to the extent that is no longer probable of being recovered.</p> <p>Use of straight line method is encouraged.</p> |
| Negative Goodwill | Recognized as a gain in the income statement immediately. | Recognized as deferred income and recognized as income over a period of not less than 20 years. |
| Measurement of Minority Interest | Minority's proportion of the net fair value of acquired assets, liabilities and contingent liabilities assumed. | Minority's proportion of carrying amount (historical book values) on acquiree's books. |

| Topic | IFRS | Indonesian GAAP |
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| Revenue Recognition | | |
| Literature | IAS 18, <i>Revenue</i> . | PSAK No. 23 (1994), <i>Revenue</i> . |
| Measurement | <p>Revenue should be measured at the fair value of the consideration received or receivable.</p> <p>An exchange for goods or services of a similar nature and value is not regarded as a transaction that generates revenue. However, exchanges for dissimilar items are regarded as generating revenue.</p> | <p>In general, revenue recognition is similar to IFRS. Certain industry-specific revenue recognition guidance may result in some measurement differences.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Employee Benefits | | |
| Literature | IAS 19, <i>Employee Benefits</i> . | PSAK No. 24 (Rev. 2004), <i>Employee Benefits</i> . |
| Recognition of Actuarial Gain or Loss | Actuarial gain or loss may be: <ul style="list-style-type: none"> a. recognized immediately in profit or loss; b. deferred up to a maximum, with any excess amortized in profit or loss ("corridor approach"); or c. recognized immediately directly in equity. | Similar to IFRS, except that immediate recognition directly to equity is not among the options allowed. |
| Transitional Liabilities | <ul style="list-style-type: none"> a. If greater: <ul style="list-style-type: none"> i. recognized immediately; or ii. recognized as an expense on a straight-line basis over up to 5 years. b. If smaller, recognized immediately. | Treat as an adjustment to the beginning retained earnings of the earliest period presented. |

| Topic | IFRS | Indonesian GAAP |
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| Accounting Policy Changes and Errors | | |
| Literature | IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . | PSAK No. 25 (1994), <i>Net Profit or Loss for the Period, Fundamental Errors, and Changes in Accounting Policies</i> . |
| Changes in Accounting Policy | <p>Restate prior financial statements, unless impracticable.</p> <p>IFRS defines impracticable as: <i>"Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:</i></p> <ol style="list-style-type: none"> <li data-bbox="359 922 650 1062">a. <i>the effects of the retrospective application or retrospective restatement are not determinable;</i> <li data-bbox="359 1078 650 1307">b. <i>the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or</i> | Similar to IFRS but PSAK does not define "impracticable". |

| Topic | IFRS | Indonesian GAAP |
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| | <p>c. <i>the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates:</i></p> <p>i. <i>that provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognized, measured or disclosed; and</i></p> <p>ii. <i>that would have been available when the financial statements for that prior period were authorized for issue from other information" .</i></p> | |
| Change in Depreciation Method | Change in estimate. | Change in accounting policy. |

| Topic | IFRS | Indonesian GAAP |
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| Correction of Errors | <p>IFRS has removed the concept of "Fundamental Errors".</p> <p>All "material" errors should be corrected retrospectively.</p> <p>IAS 8 provides guidance on when full retrospective application is impractical, as follows:</p> <ol style="list-style-type: none"> a. When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period). b. When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable. | <p>PSAK still uses the concept of "Fundamental Errors".</p> <p>Fundamental errors that relate to prior periods should be corrected retrospectively. Comparative information should be restated, unless it is considered impracticable to do so.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Borrowing Costs | | |
| Literature | IAS 23, <i>Borrowing Costs</i> . | PSAK No. 26 (Rev. 1997), <i>Borrowing Costs</i> . |
| Recognition | <p>May choose from the benchmark or the allowed alternative method:</p> <ul style="list-style-type: none"> a. <i>Benchmark method</i>: Expense all borrowing costs when incurred. b. <i>Alternative method</i>: Capitalize borrowing costs directly attributable to qualifying assets as part of the cost of that asset. | Only allows the alternative method of IFRS. |

| Topic | IFRS | Indonesian GAAP |
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| Insurance Contracts | | |
| Literature | IFRS 4, <i>Insurance Contracts</i> . | <ul style="list-style-type: none"> • PSAK No. 28 (Rev. 1996), <i>Accounting for Casualty Insurance</i>. • PSAK No. 36 (1996), <i>Accounting for Life Insurance</i>. |
| Scope | <p>Specifies the financial reporting for insurance contracts by any entity that issues such contracts (described in this IFRS as an insurer).</p> <p>Does not address accounting by policyholders.</p> | Specifies the accounting treatment for transactions which are specifically related to the casualty insurance and life insurance industry. |

| Topic | IFRS | Indonesian GAAP |
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| Exploration and Evaluation of Mineral Assets | | |
| Literature | IFRS 6, <i>Exploration for and Evaluation of Mineral Assets</i> . | <ul style="list-style-type: none"> • PSAK No. 29 (1994), <i>Accounting for Oil and Gas Industry</i>. • PSAK No. 33 (1994), <i>Accounting for General Mining Industry</i>. |
| Scope | Specifies the accounting treatments for the exploration for and evaluation of mineral assets. | <p>Specifies the accounting treatments for:</p> <ol style="list-style-type: none"> a. Exploration, development, production, processing, transportation, marketing and other activities in oil and gas industry. b. Exploration (including evaluation), development and construction, production, and environmental management in general mining operations. |

| Topic | IFRS | Indonesian GAAP |
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| Leases | | |
| Literature | IAS 17, <i>Leases</i> . | PSAK No. 30 (1994), <i>Leases</i> . * * <i>DSAK IAI has issued ED PSAK No. 30 (2006), Leases which complies with IAS 17, Leases.</i> |
| Inception of the Lease / Commencement of the Lease Term | IAS 17 distinguishes "Inception" of the lease, the date leases are classified, and "Commencement" of the lease term, the date when recognition takes place. | No specific guidance. |
| Classification of Leases | <p>a. Classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee.</p> <p>b. All other leases are classified as operating leases.</p> <p>IAS 17.10 and 17.11 provide examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease.</p> | <p>a. The lease is likely to be classified as a finance lease (by the lessee) if it satisfies all of the following:</p> <ul style="list-style-type: none"> i. the lessee has the option to purchase the leased asset at the end of the lease period at a price agreed at the inception of the lease agreement; ii. the sum of periodic lease payment plus the residual value will cover the acquisition price of the leased asset and interest thereon as profit of the lessor; and iii. a minimum lease period of 2 years. <p>b. If one of the above criteria is not satisfied, the lease should be classified as an operating lease.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Present Value of Minimum Lease Payments | Generally would use the "implicit rate" to discount minimum lease payments, and if the implicit rate is unclear, may also use incremental borrowing rate, similar to prevailing market rate. | Discount rate used is the interest charged by the lessor or the prevailing interest rate at the inception of the lease term. The Standard does not specify the preferred rate to be used. |
| Recognition of Finance Lease Assets by Lessee | <p>Finance lease asset is recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement of the lease term.</p> <p>Finance charge is allocated to each period using the effective interest method.</p> | <p>The lease asset is recorded at the present value of all lease payments plus residual value (option price) which should be paid by the lessee at the end of the lease term.</p> <p>Each lease payment is allocated and recorded as repayment of the lease obligation and interest expense based on an interest rate applied to the carrying amount of the lease obligation during the lease term.</p> |
| Recognition of Finance Lease Receivable by Lessor | <p>Recognize a finance lease receivable at an amount equal to the net investment in the lease at the commencement of the lease term.</p> <p>Net investment in the lease is the present value of the aggregate of minimum lease payments receivable by the lessor and any unguaranteed residual value accruing to the lessor discounted at the interest rate implicit in the lease.</p> | <p>Net investment in the lease consists of lease payments receivable plus the residual value (option price) that will be received by the lessor at the end of the lease period, less the unearned lease income and security deposit.</p> <p>The difference between lease payments receivable plus residual value (option price) and the acquisition price of the leased assets is treated as unearned lease income.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | Finance income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease (i.e., the effective interest method). | Unearned lease income should be allocated consistently to the current period's income based on a periodic rate of return on lessor's net investment. |
| Initial Direct Costs Incurred by Lessee Under a Finance Lease | Added to the initial amount of the finance lease asset. | No specific requirements. |
| Depreciation of Leased Asset by Lessee under a Finance Lease | If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the leased asset is depreciated over its useful life; otherwise, leased asset is depreciated over the shorter of the lease term and its useful life. | Leased asset is amortized based on its estimated useful life. |
| Initial Direct Costs Incurred by Lessor Under a Finance Lease | Included in the initial measurement of finance lease receivable and reduce the amount of income recognized over the lease term under IAS 17.38. | No specific requirements. |
| Sale and Leaseback Transaction where the Leaseback is an Operating Lease | <p>The gain or loss is recognized immediately if the transaction is established at fair value.</p> <p>If the sale price is below fair value, any gain or loss should be recognized immediately except that if the loss is compensated for by future lease payments at below market price, it should be deferred and amortized over the period the asset is expected to be used.</p> | <p>The transaction should be treated as two separate transactions, a sales transaction and a lease transaction.</p> <p>The difference between the selling price and the book value of the asset sold should be recognized and recorded as deferred gain or loss.</p> <p>Amortization of deferred gain or loss should be treated in proportion to the rental expense.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | If the sale price is above fair value, the excess over fair value should be deferred and amortized over the period the asset is expected to be used. | |
| Sale and Leaseback Transaction where the Leaseback is a Finance Lease | <p>Gain or loss recognition is prohibited.</p> <p>Any excess of the sales proceeds over the carrying amount should be deferred and amortized over the lease term.</p> | <p>The transaction should be treated as two separate transactions, a sales transaction and a lease transaction.</p> <p>The difference between the selling price and the book value of the asset sold should be recognized and recorded as deferred gain or loss.</p> <p>Amortization of deferred gain or loss should be treated in proportion to the amortization expense of the leased assets.</p> |
| Leases Involving Land and Building(s) | Considered separately. | No specific guidance. |
| Interest in Leasehold Land | <p>Accounted for as operating leases, i.e. recognize an operating lease expense over the relevant lease term on a straight-line basis.</p> <p>(It is possible for a lessee to classify the interest in leasehold land under an operating lease as a finance lease property if the leasehold land satisfies the "investment property" definition and the fair value is used in accordance with IAS 40. See also page 013.2 for property held under operating lease).</p> | No specific requirements. Common practice is to account for the leasehold land as an operating lease. |

| Topic | IFRS | Indonesian GAAP |
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| Accounting for Banking Industry | | |
| Literature | IAS 30, <i>Disclosure in the Financial Statements of Banks and Similar Financial Institutions</i> . | PSAK No. 31 (Rev. 2000), <i>Accounting for Banking Industry</i> . |
| Scope | <p>This standard prescribes the appropriate presentation and disclosure standards for banks and similar institutions.</p> <p><i>Note:</i> This standard is superseded by IFRS 7 effective in 2007.</p> | <p>This standard regulates the recognition, measurement, presentation and disclosure in financial statements of banks operating in Indonesia, except for shari'a banks.</p> <p>Some financial statement items may be measured differently if IAS 39 of IFRS were applied.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Agriculture | | |
| Literature | IAS 41, <i>Agriculture</i> . | PSAK No. 32 (1994), <i>Accounting for Forestry Industry</i> . |
| Scope | <p>The standard is applied to account for the following when they relate to agricultural activity:</p> <ul style="list-style-type: none"> a. biological assets; b. agricultural produce at the point of harvest; and c. certain government grants. | <p>The standard is applicable for enterprises engaging in one or more forest concession.</p> <p>There is no specific guidance for other types of agricultural activity.</p> |
| Measurement of Biological Assets | <p>Biological assets are measured at fair value less expected point-of-sale cost at each balance sheet date, unless fair value cannot be measured reliably.</p> <p>If fair value cannot be determined reliably, apply the cost model (depreciated cost less accumulated impairment) for the specific biological asset.</p> | <p>No specific requirement to use fair value.</p> <p>Specific guidance provided for each type of cost (e.g., deferred and amortized or charged to production expense).</p> |

| Topic | IFRS | Indonesian GAAP |
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| Financial Instruments | | |
| <p><i>Notes:</i></p> <p>a. <i>IAS 32 and IAS 39 are complex standards, and were therefore accompanied by a lot of Application Guidance (AG) and Implementation Guidance (IG). The comparison below is limited to the most common and obvious features of these standards.</i></p> <p>b. <i>PSAK No. 55 was adopted from the original SFAS 133 of US GAAP. Several amendments to SFAS 133 and various pronouncements by DIG have already been issued, but PSAK No. 55 has not been updated.</i></p> | | |
| Literature | <ul style="list-style-type: none"> • <i>IAS 32, Financial Instruments: Presentation and Disclosure.</i> • <i>IAS 39, Financial Instruments: Recognition and Measurement.</i> | <ul style="list-style-type: none"> • <i>PSAK No. 41 (1997), Accounting for Warrants.</i> • <i>PSAK No. 43 (1997), Accounting for Factoring.</i> • <i>PSAK No. 50 (1998), Accounting for Investment in Certain Securities.*</i> • <i>PSAK No. 55 (Rev. 1999), Accounting for Derivative Instruments and Hedging Activities.*</i> • <i>ISAK No. 05, Interpretation of Paragraph 14 of PSAK No. 50 regarding Reporting of Changes in Fair Value of Investments in Available-for-Sale Securities.</i> • <i>ISAK No. 06, Interpretation of Paragraph 12 and 16 of PSAK No. 55 (revised 1999) regarding Embedded Derivative Instruments in Foreign Currency Contracts.</i> <p>* <i>DSAK IAI has issued ED PSAK No. 50 (2006), Financial Instruments: Presentation and Disclosure and ED PSAK No. 55 (2006), Financial Instruments: Recognition and Measurement, which comply with IAS 32, Financial Instruments: Disclosure and Presentation and IAS 39, Financial Instruments: Recognition and Measurement.</i></p> |

| Topic | IFRS | Indonesian GAAP |
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| Definition of Financial Instruments | <p>Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.</p> <p><i>Financial asset</i> – defined in detail in IAS 32.</p> <p><i>Financial liability</i> – detailed definition is provided by IAS 32. In summary, an instrument is a financial liability if the issuer may be obligated to deliver cash or another financial asset or the holder has the right to demand cash or other financial asset. An instrument that does not give rise to such contractual right is an equity instrument.</p> | <p>Financial instrument is not defined.</p> <p><i>Financial asset</i> is not defined.</p> <p><i>Financial liability</i> – when the initial transfer of a financial instrument contains the contractual obligation to transfer cash or its equivalent in the future, the instrument is classified as a liability. Financial instruments which cannot be classified as liabilities are classified as a part of equity.</p> |
| Scope | <p>IAS 32 and IAS 39 provide detailed scoping guidelines (i.e., not all financial instruments are covered by IAS 32 / 39).</p> | <p>Some standards establish the accounting for certain type of financial instruments. No stand-alone standard was issued similar to IAS 32 / 39 to address financial instruments.</p> |
| Issuer Classification of Financial Instruments | <p>Issuer's classification of an instrument either as a liability or equity is based on substance, not the legal form of the instrument. IFRS provides comprehensive application guidance.</p> | <p>PSAK No. 21 par.6 states that "<i>Classification of financial instruments is determined by the substance of contractual arrangements on initial recognition</i>".</p> <p>However, because of the absence of application guidance, some financial instruments classified as liability or equity may be classified otherwise under IFRS.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Compound Financial Instruments – Issuer Classification | <p>Compound financial instruments such as convertible debt and debts with detachable warrants must be separated between liability and equity components on initial recognition, depending on the terms of the instrument.</p> <p>The conversion option can be treated as equity component provided that it meets the definition of equity in IAS 32.</p> <p>The fair value of the liability component is determined first, and the residual is considered the equity element.</p> | <p>Convertible debt is recognized entirely as liability.</p> <p>Detachables warrants are accounted for separately as equity. Allocation of the amount is based on the relative fair value of the instruments.</p> |
| Initial Measurement of Financial Instruments | <p>Financial instruments are measured on initial recognition at fair value plus, except for instruments designated at fair value, transaction costs. Usually, this fair value is the same as cost or transaction price, but adjustment is required in some cases.</p> | <p>Common practice for some financial instruments is broadly similar to IFRS (i.e., record at cost or transaction price, which is normally the fair value).</p> <p>However, differences may arise case by case. For example, a financial instrument issued with an interest rate, which is not market rate, is recorded under PSAK at transaction price.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Measurement of Financial Assets Subsequent to Initial Recognition | <p>For the purpose of measurement subsequent to initial recognition, <i>financial assets</i> are classified into four categories:</p> <ol style="list-style-type: none"> a. Financial assets at fair value through P&L (FVTPL). b. Held to maturity (HTM). c. Loans and receivables. d. Available for sale (AFS). <p>Measurement:</p> <ol style="list-style-type: none"> a. FVTPL – this includes financial assets held for trading and other financial assets the entity designates (“Fair Value option”). Changes in fair value are recognized in earnings. Derivatives are always classified in this category, except those designated as hedging instruments. b. HTM – measured at amortized cost. c. Loans and Receivable – measured at amortized cost. d. AFS – measured at fair value, with changes in fair value recognized in equity. | <p>“Only” the investment in <i>debt securities</i> and <i>equity securities with readily available fair value</i> are required to be classified and measured as follows:</p> <ol style="list-style-type: none"> a. Trading – measured at fair value, with changes in fair value recognized in earnings. b. HTM – measured at amortized cost. c. AFS – measured at fair value, with changes in fair value recognized in equity. <p>No option to designate a financial asset to be recognized at FVTPL.</p> |
| Investment in Unlisted Equity Shares | Measured at fair value, if reliably determinable; otherwise at cost. | Measured at cost, less other than temporary decline in value, if any. |

| Topic | IFRS | Indonesian GAAP |
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| Measurement of Financial Liabilities Subsequent to Initial Recognition | <p>After initial recognition, most liabilities are measured at original recorded amount less principal repayment and amortization (i.e., amortized cost using effective interest method).</p> <p>The following categories of financial liabilities are measured at fair value, with changes in fair value recognized in profit or loss:</p> <ol style="list-style-type: none"> a. held for trading (includes derivatives unless designated and effective in hedging relationship); and b. liabilities designated at issuance, to be measured at FVTPL. | <p>Practice is substantially similar, except that the use of effective interest method is not always mandatory (i.e., debt issue cost can be amortized using straight-line method).</p> <p>No option allowing the use of fair value except for derivatives (which are always measured at fair value).</p> |
| Fair Value | <p>In addition to the general definition of fair value, IAS 39 provides guidance for fair value hierarchy.</p> | <p>General definition is similar to IFRS. PSAK does not provide fair value hierarchy.</p> <p>For the purpose of measuring the fair value of <i>equity securities with readily available market value</i>, PSAK provides the following guidelines:</p> <ol style="list-style-type: none"> a. The fair value of an equity security is considered available if the selling price or the supply and demand price has been set at the Jakarta Stock Exchange, the Surabaya Stock Exchange or another stock exchange in Indonesia. A share with sale restrictions does not meet this definition. |

| Topic | IFRS | Indonesian GAAP |
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| | | <p>b. The fair value of an equity security which is only traded on a foreign country's stock exchange is considered available if the foreign stock exchange has a volume of trade and activities equal to or more than the domestic market.</p> |
| Tainting Rule | <p>Where an entity has, during the current year, sold or reclassified more than an insignificant amount of HTM before maturity for reasons other than those allowed, all of the HTM securities must be reclassified to AFS. HTM classification is prohibited for the next two fiscal years.</p> | <p>The standard provides guidance in which HTM securities can be sold or reclassified without contradicting the held to maturity intention, but does not specify whether "Tainting" would apply for sale or reclassification of HTM made other than the circumstances allowed by the standard.</p> |
| Reclassifications Between Categories | <p>a. Reclassification into and out of FVPL is prohibited, except for derivatives designated in a hedging relationship.</p> <p>b. Reclassification from AFS into HTM - the carrying amount (i.e., the fair value upon transfer) becomes the asset's new amortized cost. Any previous fair value gain or loss recognized in equity is amortized to profit or loss over the remaining life of the asset using the effective interest method.</p> | <p>a. Reclassification into and out of "Trading" is allowed: (i) There is no P&L impact for transfer out of "Trading", (ii) For transfer into "Trading", unrealized gain or loss should be recognized to earnings at that date.</p> <p>b. Reclassification from AFS to HTM – continue to report in equity any unrealized gain or loss, but subsequently amortized in a manner similar to discount or premium.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | <p>c. Reclassifications into and out of Loans and Receivable is prohibited.</p> | |
| <p>Impairment and Uncollectibility of Financial Assets</p> | <p>Impairment losses are recognized if there is any objective evidence that a financial asset or group of financial assets is impaired ("Loss Event").</p> <p>Impairment loss is calculated as follows:</p> <p>a. <i>Financial assets measured at amortized cost</i> – loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the asset's original effective interest rate.</p> <p>b. <i>Financial assets carried at cost</i> – loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.</p> | <p>a. For doubtful debts, provision is determined at nominal amount based on the review of individual receivable accounts.</p> <p>b. For long-term investment measured at cost – Decline in value "<i>other than temporary</i>" is recognized in earnings (PSAK No. 13 Model).</p> <p>c. For instruments classified as AFS or HTM – impairment is recognized for <i>permanent decline in value</i>.</p> <p>No specific requirement to use discounting in determining the amount of impairment loss.</p> |

| Topic | IFRS | Indonesian GAAP |
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| | <p>c. <i>AFS</i> – the cumulative loss that has been recognized directly in equity shall be removed from equity and recognized in profit or loss even though the financial asset has not been derecognized.</p> | |
| <p>Reversal of Impairment Losses on Financial Assets</p> | <p>Required for loans and receivables, HTM, and <i>AFS</i>-debt instruments, if certain criteria are met.</p> <p>Reversal of an impairment loss on <i>AFS</i>-equity instruments is allowed through equity.</p> <p>Once an impairment loss has been recognized on a financial asset recognized at cost, it is not permitted to recognize a reversal.</p> | <p>Reversal of impairment is prohibited for HTM and <i>AFS</i>.</p> <p>Reversal of impairment may be made for long-term investment measured at cost (PSAK No. 13).</p> <p>Provisions for doubtful loans and receivables are adjusted and recognized in earnings.</p> |
| <p>Derecognition of Financial Assets</p> | <p>Combination of “risks and rewards” and control approach; Evaluation of “Risks and Rewards” precedes evaluation of “Transfer of Control”.</p> <p>Can derecognize part of an asset.</p> | <p>Less comprehensive guidance for factoring of receivables. Receivables are not derecognized for factoring with recourse. Factoring of receivable without recourse is considered a sale of receivable.</p> <p>For all other transfer of financial assets, there is no specific derecognition guidance. In practice, companies may follow the IAS 39 model, or the SFAS 140 Model of US GAAP.</p> |
| <p>Derecognition of Financial Liabilities</p> | <p>Financial liability is derecognized only when it is “extinguished”.</p> | <p>Less comprehensive guidance is provided in the Framework, but in general the derecognition is similar to IFRS.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Renegotiation of Financial Liability | <p>Modification of terms that results in exchange of instruments with terms that are substantially different is accounted for as extinguishment.</p> <p>Guidance in determining whether the terms are substantially different is provided (in most instances the 10% threshold test is used).</p> | <p>For modification of terms in a troubled debt restructuring, the carrying amount of the liability at the time of restructuring should not be changed unless the carrying amount exceeds the total future cash payments specified by the new terms, in which case the excess of the carrying amount over the total future cash payment is recognized as gain.</p> <p>No specific guidance for modification of terms other than troubled debt restructuring.</p> |
| Definition of Derivatives | <p>Derivative is defined as a financial instrument or other contract with all three of the following characteristics:</p> <ol style="list-style-type: none"> a. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying'); b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a | <p>PSAK defines derivative as a financial instrument or other contract with all three of the following characteristics:</p> <ol style="list-style-type: none"> a. it has (1) one or more underlyings and (2) one or more notional amounts or payment provisions or both. Those terms determine the amount of the settlement or settlements, and, in some cases, whether or not a settlement is required; b. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and |

| Topic | IFRS | Indonesian GAAP |
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| | <p>similar response to changes in market factors; and</p> <p>c. it is settled at a future date.</p> | <p>c. its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.</p> <p>The above definition is narrower because if the contract has an underlying but does not have a notional amount or payment provision or both, it is not considered a derivative, as opposed to IFRS which focuses on the underlying. Further, if the contract does not require or permit net settlement, it is not a derivative, as opposed to IFRS which requires only future settlement (which may be gross or net).</p> |
| Hedging Foreign Exchange Risk on Unrecognized Firm Commitment | Allows either fair value hedge or cash flow hedge. | Allows only foreign currency fair value hedge. |
| Hedging Foreign Exchange Risk on Recognized Asset or Liabilities | Allows either fair value hedge or cash flow hedge. | PSAK No. 55 par. 51 precludes fair value hedge or cash flow hedge accounting for foreign currency risk associated with any asset or liability that is denominated in foreign currency because it is re-measured with the changes in carrying amount attributable to what would be the hedged risk (i.e., exchange rate risk) reported in earnings. |

| Topic | IFRS | Indonesian GAAP |
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| Hedging Foreign Currency Risk in a Held-to-maturity Investment | HTM investment can be a hedged item with respect to foreign currency risk since a hedging relationship qualifies for hedge accounting provided that the relevant conditions are met. | Not allowed under par. 51 of PSAK No. 55. |
| Assuming Perfect Effectiveness of a Hedge If Critical Terms Match | Prohibited. Must always measure effectiveness. | No specific guidance, but because PSAK No. 55 is adopted from SFAS 133, short-cut method may be used for hedging interest rate risk if certain criteria are met, which is allowed under SFAS 133 Implementation Guidelines. |
| Financial Guarantee Contract | <p>If a financial guarantee contract is not an insurance contract, as defined in IFRS 4, it should be within the scope of IAS 39.</p> <p>If the financial guarantee contract is considered an insurance contract, it should be recognized and measured at fair value by the issuer at inception. Subsequently, the issuer measures the contract at the higher of the amount determined under IAS 37, <i>Provision, Contingent Asset and Contingent Liabilities</i>, and the amount initially recognized less, when appropriate, cumulative amortization as recognized under IAS 18 <i>Revenue</i>.</p> | No specific requirement. Common practice is for companies to disclose significant commitments. |
| Disclosures | More detailed disclosures required. | Fewer disclosures. |

| Topic | IFRS | Indonesian GAAP |
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| Income Taxes | | |
| Literature | IAS 12, <i>Income Taxes</i> . | PSAK No. 46 (1997), <i>Accounting for Income Taxes</i> |
| Scope | The standard is applied in accounting for income taxes, including the accounting for temporary differences that may arise from government grants. | PSAK has no specific guidance for deferred tax on government grants. |
| Offset of current tax assets and liabilities | Permitted only if the entity: <ul style="list-style-type: none"> a. has a legally enforceable right to offset; and b. intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. | An entity should offset current tax assets and current tax liability and show the net amount in the balance sheet. |
| Assets Carried at Fair Value | The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset. | No specific requirements. |
| Goodwill | Provided that goodwill is deductible for tax purposes, deferred tax liabilities for taxable temporary differences relating to goodwill are recognized to the extent they do not arise from the initial recognition of goodwill. | Deferred tax liabilities (assets) should not be recognized on goodwill (negative goodwill) that is recognized in line with PSAK No. 22, <i>Business Combination</i> . |

| Topic | IFRS | Indonesian GAAP |
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| Investments in Subsidiaries, Branches and Associates and Interests in Joint Ventures | <p>Recognize a deferred tax liability for all taxable temporary differences, except if both of the following conditions are satisfied:</p> <ul style="list-style-type: none"> a. the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and b. it is probable that the temporary difference will not reverse in the foreseeable future. <p>Recognize a deferred tax asset for all deductible temporary differences, to the extent that, and only to the extent that, it is probable that:</p> <ul style="list-style-type: none"> a. the temporary difference will reverse in the foreseeable future; and b. taxable profit will be available against which the temporary difference can be utilized. | No specific requirements. |
| Deferred Tax on Share-Based Payment Transaction | Deferred tax is computed based on the tax deduction for the share-based payments under the applicable tax law (i.e., intrinsic value). | No specific guidance. |

| Topic | IFRS | Indonesian GAAP |
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| Disclosures | <p>More detailed disclosures are required, some of which are as follows:</p> <ol style="list-style-type: none"> a. The aggregate amount of temporary differences associated with investment in subsidiaries, branches and associates and interest in joint ventures for which deferred tax liabilities have not been recognized. b. The amount of deferred tax assets and the nature of the evidence supporting its recognition when: <ol style="list-style-type: none"> i. the utilization of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and ii. the enterprise has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates. | <p>Some disclosure requirements are similar to IFRS.</p> <p>No specific requirement.</p> <p>No specific requirement.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Impairment of Assets | | |
| Literature | IAS 36, <i>Impairment of Assets</i> . | PSAK No. 48 (1998), <i>Impairment of Assets</i> . |
| Frequency of impairment Testing | <p><i>Frequency</i>: at each balance sheet date.</p> <p><i>Trigger</i>: recoverable amount of the asset</p> | Similar to IFRS. |
| Recoverable Amount | The higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. | The higher of an asset's net selling price and its value in use. |
| Determining Recoverable Amount | <ol style="list-style-type: none"> a. If fair value less costs to sell or value in use is more than carrying amount, it is not necessary to calculate the other amount. The asset is not impaired. b. Fair value less costs to sell is determined as follows: <ol style="list-style-type: none"> i. If there is a binding sale agreement, use the price under that agreement less costs of disposal. ii. If there is no binding sale agreement but an asset is traded in an active market for that type of asset, use market price less costs of disposal. Market price means current bid price if available, otherwise the price in the most recent transaction. | <ol style="list-style-type: none"> a. If net selling price or value in use is more than carrying amount, it is not necessary to calculate the other amount. The asset is not impaired. b. Net selling price of an asset is determined as follows: <ol style="list-style-type: none"> i. If there is an active market for the asset, use market price less costs of disposal. Market price means current bid price if available, otherwise the price in the most recent transaction. ii. If there is no active market, use the best estimate of the asset's selling price less costs of disposal. c. If net selling price cannot be determined, then recoverable amount is value in use. |

| Topic | IFRS | Indonesian GAAP |
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| | <ul style="list-style-type: none"> iii. If there is no binding sale agreement and active market, use the best estimate of the asset's selling price less costs of disposal, in an arm's length transaction. c. If fair value less costs to sell cannot be determined, then recoverable amount is value in use. | |
| Determining Value in Use | <p>The calculation of value in use should reflect the following elements:</p> <ul style="list-style-type: none"> a. an estimate of the future cash flows the entity expects to derive from the asset; b. expectations about possible variations in the amount or timing of those future cash flows; c. the time value of money, represented by the current market risk-free rate of interest; d. the price for bearing the uncertainty inherent in the asset; and e. other factors, such as illiquidity, that market participants would reflect in pricing the future cash flows the entity expects to derive from the asset. | No specific requirements. Common practice is consistent with IFRS. |

| Topic | IFRS | Indonesian GAAP |
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| Exclusion from Future Cash Flows Exemptions | <p>Future cash flow shall be estimated for the asset based on its current condition. It should not include cash flows expected to arise from:</p> <ul style="list-style-type: none"> a. future restructuring to which the entity is not yet committed; or b. improving or enhancing the asset's performance. <p>Estimates of future cash flows should also not include:</p> <ul style="list-style-type: none"> a. cash inflows or outflows from financing activities; or b. income tax receipts or payments. | <p>When the carrying amount of an asset does not yet include all the cash outflows to be incurred before it is ready for use or sale, the estimate of future cash outflows includes an estimate of any further cash outflow that is expected to be incurred before the asset is ready for use or sale.</p> <p>Estimates of future cash flows should not include:</p> <ul style="list-style-type: none"> a. cash flows required to settle a liability recognized as a payable; b. cash inflows or outflows from financing activities; and c. income tax receipts or payments. |
| Foreign Currency Future Cash Flows | <p>Future cash flows are estimated in the currency in which they will be generated and then discounted using a rate appropriate for that currency. The present value is translated using the spot rate at the date of value in use calculation.</p> | <p>No specific guidance.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Reversal of Impairment Loss | <p>Assess at each reporting date whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is to be estimated.</p> <p>The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized.</p> <p>Reversal of an impairment loss is recognized as income in the income statement.</p> <p>Adjust depreciation for future periods</p> <p>Reversal of impairment loss is prohibited for goodwill.</p> | <p>For assets other than goodwill, reversal of impairment loss is similar to IFRS.</p> <p>However, for goodwill there are inconsistencies between PSAK No. 22 and PSAK No. 48:</p> <ol style="list-style-type: none"> a. Under PSAK No. 22, any impairment loss of goodwill cannot be reversed (written-up) in the subsequent periods. b. Under PSAK No. 48, impairment loss of goodwill can be reversed if external specific events which caused recognition of impairment loss have been reversed. |

| Topic | IFRS | Indonesian GAAP |
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| Share Based Payment | | |
| Literature | IFRS 2, <i>Share-based Payment</i> . | PSAK No. 53 (1998), <i>Accounting for Stock-Based Compensation</i> . |
| Share-Based Payment to Non-Employees | Fair value of the share-based payment is measured at the date the entity receives the goods or services. If the entity rebuts this assumption because it cannot estimate reliably the fair value of goods or services received, the entity measures the fair value of the goods or services, and the increase in equity, indirectly, by reference to the fair value of the equity instrument granted measured at the date the entity received the goods or the other party rendered services. | If the fair value of the goods or services received is not reliably measurable, the measure of the cost of goods or services acquired is based on the fair value of the equity instruments issued at the time the compensation agreement is legally binding. |
| Share-Based Payment With Cash Alternatives | If the terms of the arrangement provided for either the entity or the counter party the choice of whether the settlement is in cash or issuing equity instrument, the entity shall account for the transaction, or the component of the transaction, as (i) a cash-settled share-based payment, if, and to the extent that, the entity has incurred a liability to settle in cash or other asset, or (ii) as an equity-settled share-based payment if, and to the extent that, no such liability has been incurred. | A company that grants a tandem award consisting of either a stock option or a cash stock appreciation right (SAR) is obligated to pay cash on demand if the choice is the employee's, and the entity thus incurs a liability to the employee. In contrast, if the choice is the entity's, it can avoid transferring its assets by choosing to settle in stock, and the award qualifies as an equity instrument. However, if a company has the choice of settling awards by issuing stock generally settles in cash, or if the |

| Topic | IFRS | Indonesian GAAP |
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| | <p>The recognition and measurement of liability and equity component will depend on which party has the choice of settlement and whether the transaction is with employees or non-employees.</p> | <p>entity settles in cash whenever an employee asks for cash settlement, the entity is actually settling a substantive liability rather than repurchasing an equity instrument. In this case the substantive terms shall be the basis for the accounting.</p> |
| Expected Volatility for Unlisted Company | <p>The use of minimum value which excludes the effect of "volatility" is not appropriate. Guidance has been provided to determine volatility for unlisted shares.</p> | <p>Allows the use of Minimum Value, which is an amount that excludes the effect of volatility.</p> |
| Fair Value Determination | <p>Requires the fair value of equity instruments granted to be based on market prices, if available, and to take into account the terms and conditions upon which those equity instruments were granted.</p> <p>In the absence of market prices, fair value is estimated using a valuation technique to estimate what the price of those equity instruments would have been on the measurement date in an arm's length transaction between knowledgeable, willing parties.</p> <p>The standard does not specify which particular model should be used.</p> | <p>The fair value is determined based on market price in an active market.</p> <p>If the market price is not available, estimated fair value is determined based on price of similar assets.</p> <p>If the estimation is not available, fair value is determined using an appropriate valuation method.</p> <p>Examples of fair value determination methods are discounted cash flow, option-pricing models, matrix pricing, option-adjusted spread model, and fundamental analysis.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Modification to Equity-Settled Share-Based Payment | <p>Provides detailed application guidance for modification that increases the fair value of the equity instruments granted, or increases the number of equity instruments granted, or modifies the vesting conditions in a manner beneficial to the employees, and for circumstances where modification is made during or after vesting.</p> <p>The determination of whether a modification has an effect on the amount of expense recognized depends on whether the fair value of the new instruments is greater than the fair value of the original instruments (both determined at the modification date). For example:</p> <ol style="list-style-type: none"> a. If the fair value of the modified instruments is more than the fair value of the old instruments (e.g., reduction of the strike price, or issuance of additional instruments), the incremental amount is recognized over the | <p>General guidance is provided:</p> <ol style="list-style-type: none"> a. The fair value of each award of equity instruments shall be measured separately based on its terms and the current stock price and related factors at the grant date. b. A modification of the terms of an award that makes it more valuable shall be treated as an exchange of the original award for a new award. The difference between the two values shall be recognized during the period of change. <p>No application guidance is provided.</p> |

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| | <p>remaining vesting period in a manner similar to the original amount. If the modification occurs after the vesting period, the incremental amount is recognized immediately.</p> <p>b. If the fair value of the modified instruments is less than the fair value of the old instruments, the original fair value of the equity instruments granted should be expensed as if the modification never occurred. However, a reduction in the number of shares should be treated as a partial cancellation.</p> <p>New equity instruments granted may be identified as a replacement of cancelled equity instruments. In those cases, the replacement equity instruments should be accounted for as a modification. The fair value of the replacement equity instruments is determined at their grant date, while the fair value of the cancelled instruments is determined at their date of cancellation, less any cash payments on cancellation.</p> | |

| Topic | IFRS | Indonesian GAAP |
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| Earnings per Share | | |
| Literature | IAS 33, <i>Earnings per Share</i> . | PSAK No. 56 (1999), <i>Earnings per Share</i> . |
| Retrospective Adjustments | <p>The calculation of basic and diluted EPS for all periods presented is adjusted retrospectively when the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue, or share split, or decreases as a result of a reverse share split.</p> <p>If such changes occur after the balance sheet date but before the financial statements are authorized for issue, the per-share calculations for those and any prior period financial statements presented are based on the new number of shares. Disclosure is required.</p> <p>Basic and diluted EPS are also adjusted for the effects of errors and adjustments resulting from changes in accounting policies, accounted for retrospectively.</p> <p>Diluted EPS for prior periods should not be adjusted for changes in the assumptions used or for the conversion of potential ordinary shares into ordinary shares outstanding.</p> | Similar to IFRS, except that basic and diluted EPS should also be adjusted, and accounted retrospectively, for the effects of a business combination which is a pooling of interest. |

| Topic | IFRS | Indonesian GAAP |
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| Provisions and Contingencies | | |
| Literature | IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i> . IFRIC 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i> . | PSAK No. 57 (2000), <i>Provisions, Contingent Liabilities and Contingent Assets</i> . |
| Measurement of Decommissioning Provisions | Use the current, risk-adjusted rate to discount the provision when initially recognized. Adjust the rate at each reporting date. | No specific guidance. |

| Topic | IFRS | Indonesian GAAP |
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| Discontinued Operations | | |
| Literature | IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i> . | PSAK No. 58 (Rev. 2003), <i>Discontinued Operations</i> . |
| Definition of Discontinued Operation | <p>A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:</p> <ol style="list-style-type: none"> a. represents a separate major line of business or geographical area of operation; b. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or c. is a subsidiary acquired exclusively with a view to resale. | <p>A component of a company that:</p> <ol style="list-style-type: none"> a. pursuant to a single plan will be disposed of or abandoned; b. represents a separate major line of business or geographical area; and c. can be distinguished operationally and for financial reporting purposes. |
| Timing of the Classification as Discontinued Operation | <p>A discontinued operation should be classified as such at the date the operation meets the criteria to be classified as held for sale or when the entity has disposed of the operation.</p> <p>Prohibits retroactive classification of an operation as discontinued, when the criteria for that classification are not met until after the balance sheet date.</p> | <p>An operation is classified as discontinuing at the earlier of (a) the entity entering into a binding sale agreement and (b) the board of directors approving and announcing a formal plan.</p> <p>Requires retroactive reclassification disclosures if the initial disclosure events occurred before the financial statements are authorized for issue.</p> |

| Topic | IFRS | Indonesian GAAP |
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| Classification of Non-current Assets (or Disposal Groups) as Held for Sale | Classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. | No specific requirements. |
| Classification of Non-current Assets that are to be Abandoned | An entity shall not classify as held for sale a non-current asset (or disposal group) that is to be abandoned. However, if the disposal group to be abandoned meets certain criteria, the entity shall present the results and cash flows of the disposal group as discontinued operations at the date on which it ceases to be used. Non-current assets (or disposal groups) to be abandoned include non-current assets (or disposal groups) that are to be used to the end of their economic life and non-current assets (or disposal groups) that are to be closed rather than sold. | Classified as discontinued operation. |
| Measurement | A non-current asset (or disposal group) classified as held for sale should be measured at the lower of its carrying amount and fair value less costs to sell. | Related to discontinued operations, the recognition and measurement principles specified in other PSAK should be applied. |

| Topic | IFRS | Indonesian GAAP |
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| Presentation of Discontinued Operation | <p>Present after-tax profit or loss from continuing operation and discontinued operations separately on the face of the income statement.</p> <p>Present in the notes or on the face of the income statement for:</p> <ol style="list-style-type: none"> a. the revenue, expenses and pre-tax profit or loss of discontinued operations; b. the related income tax expense; and c. the gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group constituting the discontinued operations. | <p>Disclosures required related to discontinuing operations may be presented either in the notes to financial statements or on the face of the financial statements, except that:</p> <ol style="list-style-type: none"> a. the carrying amounts, as of the balance sheet date, of the total assets and the total liabilities to be disposed of, should be presented on the balance sheet; b. (i) the amount of revenue, expenses, and pre-tax profit or loss from ordinary activities attributable to the discontinuing operation during the current financial reporting period, and the income tax expense relating thereto, and (ii) for any gain or loss that is recognized on the disposal of assets or settlement of liabilities attributable to the discontinuing operation, the amount of the pre-tax gain or loss, and income tax expense relating to the gain or loss, should be presented on the income statement; and |

| Topic | IFRS | Indonesian GAAP |
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| | | <p>c. the amounts of net cash flows attributable to the operating, investing, and financing activities of the discontinuing operation during the current financial reporting period, should be presented on the cash flow statement.</p> |
| <p>Reporting of Assets and Liabilities of a Disposal Group Classified as Held for Sale</p> | <p>Present the amount of non-current assets held for sale (or disposal group) and liabilities associated with non-current assets held for sale (or disposal group) as separate line items on the face of balance sheet.</p> <p>Each of those assets and liabilities should not be offset.</p> | <p>No specific requirements.</p> |

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