

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment Questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire for background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

IFAC Member/Associate:	Institute of Indonesia Chartered Accountants (Ikatan Akuntan Indonesia – IAI)
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GLOSSARY

AOSS	Asian-Oceanian Standard-Setters Group
BPK	Supreme Audit Board
BRM	Badan Review Mutu (Board of Quality Review)
CAs	Chartered Accountants
CPA	Certified Public Accountants
CPD	Continuing Professional Development
CPE	Continuing Professional Education
DPN	Dewan Pengurus Nasional (IAI's National Council Board)
DSAK	Dewan Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards Board)
DSAP	Dewan Sertifikasi Akuntan Profesional (Certification Board for Professional Accountant)
DSAS	Dewan Standar Akuntansi Syariah (Indonesian Sharia Accounting Standards Board)
DSP	Dewan Standar Profesi (Professional Standards Board)
GAAP	Generally Accepted Accounting Principle
I&D	Investigation and Discipline
IAASB	International Auditing and Assurance Standards Board
IAESB	International Accounting Education Standards Board
IAI	Ikatan Akuntan Indonesia (Institute of Indonesia Chartered Accountants)
IAPI	Institut Akuntan Publik Indonesia (The Indonesian Institute of Public Accountants)
IASB	International Accounting Standards Board
IESs	International Education Standards
IESBAs	International Ethics Standards Board for Accountants
IFAC	International Federation of Accountants
IFRSs	International Financial Reporting Standards
IPSASs	International Public Sector Accounting Standards
ISAs	International Auditing Standards
ISQC	International Standards on Quality Control
KAP	Kantor Akuntan Publik (Public Accountancy Firm)
KERPPA	Committee on Evaluation and Recommendation of Professional Accounting Education
KJA	Kantor Jasa Akuntansi (Accountancy Services Firm)
KPAP	Komite Profesi Akuntan Publik (Public Accountant Professional Committee)
KSAP	Komite Standar Akuntansi Pemerintah (the Indonesian Government Accounting Standards Committee)
MoF	Ministry of Finance
OJK	Otoritas Jasa Keuangan (Indonesian Financial Services Authority)
PAO	Professional Accountancy Organization
PMK	The Minister of Finance Regulation
PPAJP	Center for Supervision of Accountants and Appraiser Services MoF
PPAk	Pendidikan Profesi Akuntansi (Professional Accounting Education)

PPPK	Pusat Pembinaan Profesi Keuangan (Center for Supervision of Financial Service Professions of the MoF) – formerly PPAJP
PRM	Pelaksana Review Mutu (Quality Review Committee)
RNA	Register Negara Akuntan (Accountancy State Register)
QA	Quality Assurance
QR	Quality Review
SAK	Standar Akuntansi Keuangan (Indonesian Financial Accounting Standards)
SPAP	Standar Profesional Akuntan Publik (Professional Standards for Public Accountant)
SPMs	Quality Assurance Standards
SRA	State Registered Accountant

Action Plan Subject: SMO 1–Quality Assurance
Action Plan Objective: Implementation of the Quality Assurance Review System

Background:

The Minister of Finance of the Republic of Indonesia has issued:

- 1) The Minister of Finance Regulation Number 25/PMK.01/2014 on State Registered Accountants (PMK), dated 3 February 2014; and
- 2) The Minister of Finance Decree Number 263/KMK.01/2014 on the appointment of Ikatan Akuntan Indonesia (IAI) as the only recognized Professional Accountancy Organization (PAO) in Indonesia (KMK), dated 17 June 2014.

Under the KMK, IAI is authorized to regulate proaccountants, and is legally empowered to set professional and ethical standards in Indonesia, one of which is the Quality Assurance standards.

The PMK allows accountants to establish Kantor Jasa Akuntansi/Accountancy Services Firm (KJA), which operation should comply with the Professional Standards on Accountancy Services as issued by IAI. KJA has the right to provide accountancy services such as bookkeeping, accounting system, consultancy, taxation, agreed upon procedure, financial reporting, and other services related to accountancy to the general public. The firm shall not provide assurance services, as referred to in the Indonesian Act No. 5/2011 on Public Accountant.

As the recognized PAO in Indonesia, IAI has been given the mandate to carry out the PMK and KMK, one of which is in conducting quality assurance activities on the works of professional accountants practicing in among others, the KJA. This activity is performed together with the Pusat Pembinaan Profesi Keuangan/Center for Supervision of Financial Service Professions of the MoF (PPPK) – formerly PPAJP, as the oversight body for the practice of the financial service professions in Indonesia, which includes the professional accountants.

PPPK issues the Register Negara Akuntan/Accountancy State Register (RNA) for accountants in Indonesia and also the register for the KJA. PPPK also has the right to administer sanctions to RNA holders (both Chartered Accountants and Certified Public Accountants) who violate relevant regulations.

According to the Public Accountant Law No.5/2011 there are 2 bodies that are responsible for conducting quality assurance activities on the works of public accountants practicing in Indonesia, namely the PPPK and Institut Akuntan Publik Indonesia (IAPI). IAPI is the professional organization for public accountants and Kantor Akuntan Publik/Public Accountancy Firm (KAP) in Indonesia. Under the Law the Komite Profesi Akuntan Publik/Public Accountant Professional Committee (KPAP) is established with the task of providing advices and inputs to the development of various standards relevant to the profession, such as the Standar Profesional Akuntan Publik/Professional Standards for Public Accountants (SPAP). KPAP comprises on 13 members, including representatives of the PAOs (including 3 from IAI), regulators, academics, users, etc. IAI is actively contributing to the development of the public accountant quality assurance activities by providing various inputs that are relevant to the process.

Quality assurance activities applied to public accountants also include those that are performed by the Otoritas Jasa Keuangan/Indonesia Financial Services Authority (OJK), specifically to public accountants who perform audit engagements for listed companies in Indonesia. Similar process is also conducted by the Badan Pemeriksa Keuangan/Supreme Audit Board (BPK), authorized under the State Finance Law No.17/2003 and the BPK Regulation No.1/2008, to review the works performed by IAPI members if those members conduct audit engagements, on behalf of

BPK, on public sector entities (state-owned enterprises for instance).					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Setting, Review and Update of the Quality Assurance Review (QR) Guidelines and Procedures</i>					
1.	February 2014	Setting up of the IAI QR Guidelines and Procedures (for KJA), based on IFAC ISQC 1.	December 2015	DPN	Internal resource of IAI (with the support of World Bank grant)
2.	May 2015	Recruitment and selection process for the Quality Reviewer task force members.	December 2015	DPN	Internal resource of IAI
3.	July 2015	Develop the KJA database.	July 2016	DPN	Internal resource of IAI
<i>Maintain Ongoing Processes</i>					
4.	February 2014	Active communication with IAPI (particularly the Board of Professional Standards) and PPPK, in ensuring the alignment of the Quality Assurance Standards (SPM) and the IAI's quality review procedures.	Ongoing	DPN	Internal resource of IAI
5.	February 2014	Active participation in KPAP, in particularly providing inputs to the development of various standards relevant to the profession.	Ongoing	DPN	Internal resource of IAI
6.	August 2014	Promote the IFAC quality assurance objectives and guidelines to IAI members and stakeholders.	Ongoing	DPN	Internal resource of IAI
7.	June 2015	Continuous enhancement and update of the IAI reviewers' skills and knowledge.	Ongoing	DPN	Internal resource of IAI
8.	July 2015	Enhance and update the reviewers' skill and knowledge.	Ongoing	DPN	Internal resource of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of Compliance Information</i>					
9.	December 2008	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 1 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 2–International Education Standards for Professional Accountants and Other Pronouncements Issued by the IAESB
Action Plan Objective: Ensure that IAI Professional Accountancy Education Requirements Meet the Obligations of SMO 2

Background:

The Minister of Finance of the Republic of Indonesia’s Regulation Number 25/PMK.01/2014 on State Registered Accountants (PMK) and Decree Number 263/KMK.01/2014 on the appointment of Ikatan Akuntan Indonesia (IAI) as the only recognized Professional Accountancy Organization (PAO) in Indonesia (KMK) are the latest foundation for the development of the accountancy profession in Indonesia. This also includes the development of the education aspects that relate to the profession. Both were issued as guidance on pathways to become a professional accountant in Indonesia, and the role of IAI as the PAO that facilitate the process. This further strengthens the legal position of the accountancy profession in Indonesia, as initially established in the Law No.34/1954 on Accountant Title.

The PMK governed the accountancy profession education (and the certification exam), requirement on professional experience and continuing professional education, and the detailed explanation on the procedure to become a professional accountant in Indonesia. The requirements as stated in the PMK are aligned with the global best practice as established by IFAC (on education, experience, continuing education and adherence to code of ethics). It mandates professional accountants in Indonesia:

- 1) To be competent; through a process of education, professional examination and relevant accountancy working experience;
- 2) To maintain professional competence through continuing professional education and continuing professional development;
- 3) To be a good standing member of IAI as the national accountancy body in Indonesia; and
- 4) To comply with the professional standards and code of conduct.

The PMK also comprehensively regulates the following:

1) State Registered Accountants

The Minister of Finance administers the Professional Accountant registration. To be a state-registered accountant a person must meet the following requirements:

- a. Accounting graduate; graduates of professional accounting education; or pass professional examination (CA Examination);
- b. Work experience in the field of accounting;
- c. Good standing member of the Professional Accountants Organization.

2) Professional Accountants Organization (PAO)

- a. Professional Accountant shall be a good standing member of the PAO;
- b. The Minister of Finance only recognizes one PAO. The PAO is responsible for, among others, the professional accountant certification exam, continuing professional education, and developing and establishing a code of ethic and professional standards,

and maintaining member discipline and disciplinary system.

- 3) Give mandates and authority to IAI altogether with ministry of finance to regulates all Professional Accountant in Indonesia.

The KMK further detailed the role of IAI as the appointed PAO in Indonesia. This further strengthen IAI's position and role in further developing the profession, one of which through its Chartered Accountant (CA) designation/program. The CA program re-defined the accountancy education pathway in Indonesia as it provides students with the option of undergoing the CA program without having to go through the Pendidikan Profesi Akuntansi/Professional Accounting Education (PPAk) program (designation administered by IAI). CA examination is now also established as the final examination for the PPAk program, to ensure and maintain the quality of the graduates from the two pathways.

Together with the Ministry of Education and the Ministry of Finance IAI shared the responsibility of setting up the pre and post qualification requirements for the professional accountants in Indonesia. The Ministry of Education as the ultimate regulator holds the approval for the established qualification requirements. These requirements are overall in line with those that are set under the IESs.

The above function is performed by IAI through the Dewan Sertifikasi Akuntan Profesional/Certification Board for Professional Accountant (DSAP), established based on the mandate of the IAI Extraordinary Congress (2012), with the main functions of ensuring the quality of the professional accountant certification, and monitoring of the education and practical experience. This is a crucial body that supports the IAI's CA designation/program.

The Minister of Education Regulation No.153/2014 on the Execution of the Accountancy Profession Program Education further strengthen the role of IAI, particularly in the development of the education of the professional accountants in Indonesia. It stated that the program is executed by the universities in cooperation with the IAI. Permit to hold/execute the program is issued by the Ministry, taking into consideration recommendation as provided by the IAI. One key aspect of the regulation is the stipulation that the IAI's professional accountant certification exam is used as the final test of competence (exam) for the program.

IAI is currently revising the education learning outcomes, to be based on the latest IESs requirements. This will hopefully be used as the best practice reference by universities in Indonesia in establishing their accountancy bachelor's degree program content/syllabus. IAI also has developed the Standar Pendidikan Akuntansi Indonesia/Indonesian Accounting Education Standards (SPAI) with the support of the World Bank in developing the related modules and information system. Also, to support the success of the CA program IAI is developing e-learning facilities, to be used by members in accessing various materials related to the program and the profession in general. This in the long term will be used as a platform to deliver CPE workshops to support members in fulfilling their continuing education requirement as part of their CA program.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Continue to Ensure Compliance with SMO 2 Requirements</i>					
10.	January 2009	Develop IAI e-learning system and content, to be used for the Continuing Professional Education (CPE) of the IAI members.	December 2016	DPN	Internal resources of IAI
11.	March 2013	Develop IAI e-learning facilities for the IAI members, through the IAI Exchange platform.	June 2016	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
12.	October 2014	Develop self-study module for CA students.	October 2015	DPN	Internal resources of IAI
13.	January 2015	Develop computer-based exam for IAI members.	October 2015	DPN	Internal resources of IAI
<i>Maintain Ongoing Processes</i>					
14.	January 2009	Continue to monitor new and revised standards and incorporate them into accountancy education requirements and timely update education course and content to reflect new requirement.	Ongoing	DPN	Internal resources of IAI
15.	January 2009	Inform IAI members of the latest IAESB pronouncements.	Ongoing	DPN	Internal resources of IAI
16.	January 2009	Revise and update IAI training and education materials based on the latest standards (financial reporting, auditing, ethics, etc). This is done mainly through updating IAI's materials used in the CA program and delivery of various trainings/workshops.	Ongoing	DPN	Internal resources of IAI
17.	January 2009	Conduct various technical and non technical CPE relevant to the accountancy profession (In particular IAI members). CPE events are organized in forms of seminars, workshops, short courses, and conferences.	Ongoing	DPN	Internal resources of IAI
18.	January 2009	Communicate regularly with members about CPE requirements and CPE courses via website, email campaign, IAI Magazine, brochures and Annual Catalog of training.	Ongoing	DPN	Internal resources of IAI
19.	January 2009	Review existing curriculum & syllabus for professional accountancy education program corresponding to IES, International Auditing Standards (ISA), International Financial Reporting Standards (IFRS) and updating on issuance of new standards, ethical standards, etc.	Ongoing	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
20.	March 2013	Facilitate access to CPE opportunities and resources through: <ul style="list-style-type: none"> - Setting up new IAI Knowledge Center. - Organize free CPE events for IAI members at the IAI office. - Organize CPE programs throughout Indonesia with the support of IAI branches. 	Ongoing	DPN	Internal resources of IAI
21.	June 2014	Conduct CA examination.	Ongoing	DPN	Internal resources of IAI
<i>Review of Compliance Information</i>					
22.	January 2009	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 2 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 3–International Standards and other Pronouncements Issued by the IAASB
Action Plan Objective: Establishing and Implementing an Ongoing Convergence Process with IAASB Pronouncements

Background:

Under the Law No.5/2011 on Public Accountants, the Institut Akuntan Publik Indonesia/Indonesian Institute of Public Accountants (IAPI) has been given the mandate to setting the audit standards in Indonesia. The Standar Profesional Akuntan Publik/Professional Standards for Public Accountant (SPAP) has been converged into the IAASB pronouncements by the Dewan Standar Profesi/Professional Standards Board (DSP). Any necessity to modify the resulted standards (due to local requirements and environment) are considered and done with reference to the IAASB Modification Policy.

In 2012, ISA (2010) were adopted as SPAP effective for periods commencing on 1 January 2013 for audits of public companies' financial statements. Non-public companies are required to have their financial statements audited in accordance with the new SPAP starting 1 January 2014. All adopted standards in Indonesia are translated into Bahasa Indonesia (legal requirement). Thus, based on information communicated by IAPI, adoption and translation of the latest International Auditing Standards (ISA) is expected to be completed late 2015.

With the separation of IAPI from the IAI (June 2012), IAI is no longer responsible for the adoption of the auditing standards in Indonesia. However, IAI continue to support IAPI in the adoption and implementation of particularly the SPAP (based on IAASB pronouncements) as the accepted auditing standards in Indonesia. This was done among others through:

- 1) Encourage IAPI through active communication to continue with the adoption of the IAASB pronouncements; and
- 2) Active communication of technical (standards) financial reporting issues that are relevant to the audit profession (and the relevant/related auditing standards).

IAPI Plan is to adopt international professional standards by translating the standards, and if necessary, modifying some of provisions in the standards to comply with local professional and regulatory requirements. IFAC Modification Policy will be followed.

The followings are the expected completion dates of the following international professional standards that the DSPAP of IAPI plans to adopt and update:

- a. ISQCs – completed and will be update which is expected to be completed by 2015.
- b. IFAEs – completed and will be update which is expected to be completed by 2016.
- c. ISAs and IAPSSs – completed and will be update which is expected to be completed by 2016.
- d. ISREs and IREPSs (if already issued by IAASB) – completed and will be update which is expected to be completed by 2016.
- e. ISAEs and IAEPSs (if already issued by IAASB) – completion date: 2015.
- f. ISRSs and IRSPSSs (if already issued by IAASB) – completion date: 2015.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Maintain Ongoing Processes</i>					
23.	June 2012	Continue to use best endeavors to encourage and support IAPI in the adoption and implementation of the SPAP (converged with IAASB pronouncements).	Ongoing	DPN	Internal resources of IAI
24.	June 2012	Continue active communication with IAPI on various (financial reporting) issues that are relevant to the auditing profession and standards.	Ongoing	DPN	Internal resources of IAI
<i>Review of Compliance Information</i>					
25.	June 2012	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 3 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information. <i>Taking into consideration separation of role with IAPI.</i>	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 4–IESBA Code of Ethics for Professional Accountants
Action Plan Objective: Align the IAPI Code with the IESBA Code of Ethics

Background:					
<p>The Ikatan Akuntan Indonesia/Institute of Indonesia Chartered Accountants (IAI) and the Institut Akuntan Publik Indonesia/Indonesian Institute of Public Accountants (IAPI) are responsible for setting ethical requirements for their respective members (professional accountants and public accountants).</p> <p>With the mandate received from the PMK and KMK, IAI has adopted the latest version of the IESBA’s Code of Ethics (2014). It is currently in its final phase of the standards due process procedures before being issued, introduced and implemented in Indonesia. This is crucial to ensure broad acceptability of the Indonesian stakeholders, particularly members of IAI. The process is done by the IAI Ethics Committee. IAI’s Code of Ethics focus on the adoption of IESBA’s Part A and C, whilst referring to IAPI’s standards for Part B (under the consideration that IAPI will continue to maintain the standards up-to-date with the latest IESBA standards).</p> <p>With the mandate given through the Law No.5/2011 on Public Accountants, IAPI is responsible for setting the Code of Ethics for public accountants in Indonesia (excluding professional accountants in business). The role of IAI in this regard is to perform continues coordination to ensure alignment of the Code of Ethics issued by both organizations (to minimize potential overlaps).</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ongoing Adoption and Implementation of IESBA Code of Ethics</i>					
26.	July 2013	Issuance of the latest IAI Code of Ethics (IESBA 2014): <ul style="list-style-type: none"> - Finalization of translation. - Issuance of exposure draft. - If necessary, conduct an FGD/limited hearing. - Adoption of Code of Ethics standards. - Dissemination of standards to members of IAI. 	December 2015	DPN	Internal resources of IAI
<i>Support IAI Members in Implementing the Code of Ethics</i>					
27.	July 2013	Socialization of IAI Code of Ethics.	June 2016	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
28.	January 2015	Provide continuous support to IAI members in the implementation of the Code of Ethics standards: <ul style="list-style-type: none"> - Training/workshops. - CPD activities. - Dissemination of information via IAI's communication channel (website, mailing list, printed materials, magazine, etc). 	December 2016	DPN	Internal resources of IAI
<i>Maintain Ongoing Processes</i>					
29.	January 2014	Monitor the changes made to the IESBA Code of Ethics and adopt the changes following the existing due process. In particular, monitor closely the IESBA work program and proposed revisions to the IESBA Code of Ethics so they can be incorporated by IAI on a timely basis. This includes updating the Action Plan as necessary.	Ongoing	DPN	Internal resources of IAI
<i>Review of Compliance Information</i>					
30.	June 2012	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 4 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB
Action Plan Objective: Use Best Endeavors to Encourage the Introduction of IPSAS in Indonesia

Background:					
Effective 1 January 2015 full accrual accounting has been implemented in the Indonesia public sector.					
Adoption and issuance of the public sector accounting standards in Indonesia is the responsibility of the Komite Standar Akuntansi Pemerintah/Indonesian Government Accounting Standards Committee (KSAP), an independent committee comprised of representatives of the IAI, academia and government practitioners. The standards are promulgated under the Government Regulation No.24/2005, which was later revised by the Government Regulation No.77/2010.					
Through its participation in KSAP, IAI promoted the adoption of IPSASs as the accepted public sector standards. IPSASs is used as the main reference in the drafting of the public sector accounting standards, with a number modifications made to allow for differences due to domestic regulatory requirements. IAI actively conducted continuous communication to its members on the latest development of IPSASs, and conducted a number of seminars and workshops on IPSASs and topics related to the public sector. Promotion of IPSASs is also conducted through IAI's website and mailing list.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Promote the Use of IPSASs</i>					
31.	July 2009	Conduct seminars, dialogues and workshops on various public sector and IPSAS topics (One seminar scheduled for 2016).	December 2016	DPN	Internal resources of IAI
32.	July 2009	Conduct research together with relevant stakeholders on implementation of IPSAS (or IPSAS converged public sector accounting standards).	December 2016	DPN	Internal resources of IAI
<i>Maintain Ongoing Process</i>					
33.	July 2009	Continuous notification to IAI members on publication of IPSAS documents, and encourage members to comment on various drafts, etc.	Ongoing	DPN	Internal resources of IAI
34.	July 2009	Promote awareness and implementation of IPSAS (or IPSAS converged standards) through various IAI communication channels (such as website, mailing list, etc).	Ongoing	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
35.	July 2009	Meetings with relevant regulators (among others the BPK, KSAP, Ministry of Finance and Ministry of Internal Affairs) to endorse the use of IPSAS.	Ongoing	DPN	Internal resources of IAI
<i>Review of Compliance Information</i>					
36.	July 2009	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 5 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 6–Investigation and Discipline
Action Plan Objective: Strengthen Investigation and Discipline System to Meet the Requirements of SMO 6

Background:

Investigation and Discipline of accountants in Indonesia is a shared responsibility of a number of organizations in Indonesia, namely:

- 1) Ikatan Akuntan Indonesia/Institute of Indonesia Chartered Accountants (IAI);
- 2) Institut Akuntan Publik Indonesia/Indonesian Institute of Public Accountants (IAPI);
- 3) Pusat Pembinaan Profesi Keuangan/Center for Supervision of Financial Service Professions of the Ministry of Finance of the Republic of Indonesia (PPPK); and
- 4) Otoritas Jasa Keuangan/Financial Service Authority (OJK) – particularly for accountants that are involved in the audit of a publicly listed entities.

Both IAI and IAPI has developed their respective I&D System. IAI’s I&D System is currently being developed (in the final development stage) by the IAI Disciplinary Committee, with the support of the IAI Honorary Board. The process is being done as part of the due process procedure to ensure maximum public acceptability when the system is implemented. The IAI’s disciplinary and investigation mechanism applied to its members is regulated under the IAI constitution and by-laws. It includes sanction mechanism that goes from written warning to termination of membership.

In developing the IAI I&D system, IAI made the effort to ensure minimal overlap with the IAPI system. Taking into consideration the mandates given to each organization (by the different Law and Decrees), potential overlap lies in public accountants who potentially could provide both assurance (IAPI) and non-assurance (IAI) services. In minimizing unnecessary consequences of this, OJK and PPPK as the related regulators maintain the monitoring control over the implementation of the systems (and coordinate with IAI and IAPI). IAI is also a member on the Komite Profesi Akuntan Publik/Public Accountant Professional Committee (KPAP) which has the authority to act as an appeals committee for sanctions issued by the PPPK.

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Update of the Investigation and Discipline System</i>					
37.	May 2011	Contribute to the latest revision of IAPI’s I&D System.	December 2015	DPN	Internal resources of IAI
38.	January 2013	Issuance of the latest IAI I&D System: <ul style="list-style-type: none"> - Issuance of draft document. - If necessary, conduct an FGD/limited hearing. - Adoption of I&D System. - Dissemination of information to members of IAI. 	December 2015	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Support IAI Members in Abiding the IAI I&D System</i>					
39.	October 2013	Socialization of IAI I&D System.	June 2016	DPN	Internal resources of IAI
40.	January 2015	Provide continuous support to IAI members in the implementation of the IAI I&D system: <ul style="list-style-type: none"> - Training/workshops. - CPD activities. - Dissemination of information via IAI's communication channel (website, mailing list, printed materials, magazine, etc). 	December 2016	DPN	Internal resources of IAI
<i>Maintain Ongoing Processes</i>					
41.	January 2013	Continue to adapt to the latest development and requirement of the I&D System based on the latest and accepted global best practice.	Ongoing	DPN	Internal resources of IAI
<i>Review of Compliance Information</i>					
42.	July 2009	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 6 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI

Action Plan Subject: SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB
Action Plan Objective: Continue to use Best Endeavors to Support Adoption and Implementation of IFRSs by the Indonesian Financial Accounting Standards Board

Background:

Ikatan Akuntan Indonesia (IAI) through the Dewan Standar Akuntansi Keuangan/Indonesian Financial Accounting Standards Board (DSAK) as the independent accounting standard setting body in Indonesia is tasked with the issuance of the Standar Akuntansi Keuangan/Indonesian Financial Accounting Standards (SAK) [Tier 1] that is applied in Indonesia. Among the legal statutes that establish this mandate are:

- 1) Law No.40/2007 on Limited Liability Company;
- 2) Law No.8/1995 on Capital Market;
- 3) Law No.25/1992 on Cooperatives; and
- 4) Law No.1/2013 on Micro Financial Institutions.

DSAK is also responsible for the development of the SAK for non-public entities/entities with no significant public accountability [Tier 2]. Also, as part of IAI is the Dewan Standar Akuntansi Syariah/Indonesian Sharia Accounting Standards Board (DSAS), responsible for the issuance of the Sharia accounting standards applied in Indonesia.

The SAK is converged into the IFRS effectively beginning on December 2008, when IAI issued a formal statement to support IFRS as the accepted accounting standard. The first phase of the convergence has been successfully concluded in 1 January 2012 (3 year gap with the IFRS), with the second phase just recently finalized in 1 January 2015 (1 year gap with the effective IFRS). Moving forward, the DSAK is committed to maintain the 1 year gap with IFRS, until the decision to fully adopt IFRS has been mutually agreed by the relevant stakeholders in Indonesia. Part of the DSAK program for 2015 onward is to prepare an initial study to look at the possibility of fully adopting IFRS in Indonesia. In June 2015, IAI has signed a Memorandum of Understanding with Otoritas Jasa Keuangan/Indonesia Financial Services Authority (OJK), an important step for the standard setter and the regulator in working together to develop the accounting standards in Indonesia, and in making the decision to fully adopt IFRS.

DSAK is actively participating in various regional and global standard-setters forum/group such as, the Asian-Oceanian Standard-Setters Group (AOSSG), IASB’s World Standard Setters (WSS) forum and Emerging Economies Group (EEG), and the International Forum of Accounting Standard Setters (IFASS).

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Participate in the Development of the IFRSs</i>					
43.	January 2015	IASB ED IAS 28 <i>Elimination of gains or losses arising from transactions between an entity and its associate or joint venture.</i>	Pending IASB issuance	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
44.	January 2015	IASB Project on <i>Business Combinations under Common Control</i> .	Pending IASB issuance	DPN	Internal resources of IAI
45.	January 2015	IASB ED IFRS 4 <i>Insurance Contract</i> .	Pending IASB issuance	DPN	Internal resources of IAI
46.	January 2015	IASB ED Amendment to IFRS 2 <i>Clarifications of Classification and Measurement of Share-Based Payment Transactions</i> .	Comment has been submitted (March 2015)	DPN	Internal resources of IAI
47.	January 2015	IASB ED <i>Annual Improvements 2014–2016</i> .	Pending IASB issuance	DPN	Internal resources of IAI
48.	January 2015	IASB ED Amendment to IAS 1 <i>Classification of Liabilities</i> .	Comment has been submitted (June 2015)	DPN	Internal resources of IAI
49.	January 2015	IASB ED Amendment to IAS 7 <i>Disclosure Initiative</i> .	Comment has been submitted (April 2015)	DPN	Internal resources of IAI
50.	January 2015	IASB Project on <i>Conceptual Framework</i> .	October 2015	DPN	Internal resources of IAI
51.	March 2015	IASB ED IFRS 15 <i>Deferral of Effective Date</i> .	Comment has been submitted (July 2015)	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Ongoing Adoption/Convergence of IFRS in Indonesia</i>					
52.	January 2015	<p>IAS 41 <i>Agriculture</i>:</p> <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of IAS 41 as part of SAK. 	December 2015 (tentative effective date of 1 January 2017)	DPN	Internal resources of IAI
53.	January 2015	<p>IFRS 15 <i>Revenue from Contracts with Customers</i>:</p> <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of IFRS 15 as part of SAK. 	December 2016 (tentative effective date of 1 January 2019)	DPN	Internal resources of IAI
54.	January 2015	<p>Amendment to IFRS 11 <i>Acquisition of an Interest in a Joint Operation</i>:</p> <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
55.	January 2015	<p>Amendment to IAS 27 <i>Equity Method in Separate Financial Statements</i>:</p> <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
56.	January 2015	<p>Amendment to IFRS 10 and IAS 28 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>:</p> <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
57.	January 2015	Amendment to IFRS 10, IFRS 12 and IAS 28 <i>Investment Entities: Applying the Consolidated Exception</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
58.	January 2015	IFRIC 21 <i>Levies</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of IFRIC 21 as part of SAK. 	December 2016 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
59.	January 2015	IFRS 14 <i>Regulatory Deferral Accounts</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of IFRS 14 as part of SAK. 	As per June 2015, DSAK has decided not to adopt IFRS 14	DPN	Internal resources of IAI
60.	January 2015	Amendment to IAS 16 and IAS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortization</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
61.	January 2015	IFRS <i>Leases</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of IFRS as part of SAK. 	Pending IASB issuance	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
62.	January 2015	IASB <i>Annual Improvements 2010–2012</i> : <ul style="list-style-type: none"> - Internal DSAK analysis. - Adoption of AI as part of SAK. 	December 2016 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
63.	January 2015	IASB <i>Annual Improvements 2011–2013</i> : <ul style="list-style-type: none"> - Internal DSAK analysis. - Adoption of AI as part of SAK. 	December 2016 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
64.	January 2015	IASB <i>Annual Improvements 2012–2014</i> : <ul style="list-style-type: none"> - Internal DSAK analysis. - Adoption of AI as part of SAK. 	June 2016 (tentative effective date of 1 January 2017)	DPN	Internal resources of IAI
65.	January 2015	Amendment to IAS 19 <i>Defined Benefit Plans: Employee Contributions</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2016)	DPN	Internal resources of IAI
66.	January 2015	Amendment to IAS 1 <i>Disclosure Initiative</i> : <ul style="list-style-type: none"> - FGD with relevant stakeholders. - Issuance of exposure draft. - Adoption of amendment as part of SAK. 	December 2015 (tentative effective date of 1 January 2017)	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
67.	January 2015	Initial study on the full adoption of IFRS in Indonesia: <ul style="list-style-type: none"> - Legal opinion on the possibility of fully adopting IFRS in Indonesia. - Establishment of the blue print and step-by-step adoption process. - FGD with relevant stakeholders. - Public hearing. - Public issuance of study. 	December 2016	DPN	Internal resources of IAI
68.	January 2014	Study on the codification of SAK based on IFRS: <ul style="list-style-type: none"> - Renaming of SAK; and - Renumbering of SAK (following IFRS). 	January 2015 (DSAK together with DPN has decided to postpone the decision until IFRS is fully adopted in Indonesia)	DPN	Internal resources of IAI
<i>Development of Non-IFRS Accounting Standards/Guidance</i>					
69.	January 2015	Initial study on the accounting for not-for-profit entities in Indonesia: <ul style="list-style-type: none"> - Preparation of academic study. - FGD with relevant stakeholders. - Public hearing. - Public issuance of study. 	December 2016	DPN	Internal resources of IAI
70.	January 2015	Study on the accounting for micro entities in Indonesia (third tier of SAK): <ul style="list-style-type: none"> - Preparation of academic study. - FGD with relevant stakeholders. - Public hearing. - Public issuance of study. 	December 2015	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Assist with the Implementation of IFRS-based SAK in Indonesia</i>					
71.	December 2014	Assisting the OJK in establishing the accounting guidance for LKM.	June 2015 (Inputs has been submitted)	DPN	Internal resources of IAI
72.	January 2014	Establish the DSAK and OJK Working Group on IFRS 9 <i>Financial Instruments</i> and PSAK 68 (adopted from IFRS 13 <i>Fair Value Measurement</i>).	June 2016	DPN	Internal resources of IAI
<i>Maintain Ongoing Processes</i>					
73.	December 2008	Produce extensive publication on IFRS convergence process and the IFRS-based SAK, through among others, the IAI website, mailing list, press release, and magazine.	Ongoing	DPN	Internal resources of IAI
74.	December 2008	Active participation in various regional and global standard setting forum/group, such as the AOSSG, IASB's WSS and EEG, and the IFASS.	Ongoing	DPN	Internal resources of IAI
75.	December 2008	Conduct various seminars and trainings on IFRS-based SAK and the impacts of the IFRS convergence in Indonesia, to build the awareness of the relevant stakeholders. IAI has been actively and continuously holding these events from 2008 onwards.	Ongoing	DPN	Internal resources of IAI
76.	December 2008	Responding to various implementation issues as presented by relevant industries, associations, regulators, etc. <i>In 2015 DSAK has considered and respond to 4 issues.</i>	Ongoing	DPN	Internal resources of IAI
77.	January 2012	Continue to use the best of endeavors in identifying opportunities to further assist the convergence/adoption and implementation of IFRS (and IFRS-based SAK) in Indonesia. This includes but not limited to, review of the existing activities and procedures.	Ongoing	DPN	Internal resources of IAI

#	Start Date	Actions	Completion Date	Responsibility	Resource
<i>Review of Compliance Information</i>					
78.	December 2008	Perform periodic reviews of IAI response to the IFAC Compliance Self-Assessment questionnaires and update sections that are relevant to SMO 7 as necessary. If the sections have been updated, IAI will inform IFAC Compliance staff about the update(s) in order for the Compliance staff to publish the updated information.	Ongoing	DPN	Internal resources of IAI