



**DEWAN STANDAR AKUNTANSI KEUANGAN**  
**(THE INDONESIAN ACCOUNTING STANDARDS BOARD)**

No : 0961/DSAK-IAI/XII/2012

Jakarta, 14 December 2012

**Ms. Yael Almog**  
Executive Director  
IFRS Foundation

**Invitation to Comment: Proposal to Establish an Accounting Standards Advisory Forum**

Dear Ms. Almog,

The Indonesian Accounting Standards Board (DSAK IAI) as part of the Indonesian Institute of Accountants is the national accounting standard-setter in Indonesia. DSAK IAI is a proud member of the Asian-Oceanian Standards-Setters Group (AOSSG), and an active contributor in among others the Emerging Economies Group (EEG).

DSAK IAI welcomes and appreciates the opportunity to respond to the Invitation to Comment (ITC) to establish the Accounting Standards Advisory Forum (ASAF) of the International Accounting Standards Board (IASB).

DSAK IAI supports IFRS Foundation's (the Foundation) effort in establishing a strong network of cooperation between IASB and the many standard-setters, in the process of developing IFRS as a single set of high quality, understandable enforceable and globally accepted financial reporting standards.

Please refer to the Appendix for DSAK IAI's responses to the specific questions in the ITC. We certainly hope that you will find these comments useful for your consideration.

Thank you for your kind attention and consideration, and please do not hesitate to contact us should you have any queries.

With best regards,

The Indonesian Accounting Standards Board

**Rosita Uli Sinaga**  
Chairperson



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### **APPENDIX – COMMENTS TO THE PROPOSAL TO ESTABLISH AN ACCOUNTING STANDARDS ADVISORY FORUM**

*Question 1 – Do you agree with the proposed commitments to be made by ASAF members (paragraph 6.4), and that they should be formalised in a Memorandum of Understanding (paragraph 6.5)? Why or why not?*

DSAK IAI has reviewed the proposed commitments in paragraph 6.4 and the proposed Memorandum of Understanding (MoU) in paragraph 6.5 of the ITC. We generally support both the proposed commitments and the proposed MoU.

#### **Proposed Commitments**

Although supportive with the intention of the proposed commitments, there is a major concern that we believe should be further considered by the Foundation. One of which is the implication of these commitments toward the role of national standard-setter as part of its local regulation, to assess the IFRSs before being adopted, or before the local standards being converged into IFRSs.

Taking Indonesia as an example, DSAK IAI as the national accounting standard-setter holds the responsibility to make the necessary analysis and follow a certain due process procedure in converging the local accounting standards into IFRSs. Although a commitment towards moving into IFRSs has been made public, where necessary, certain amendments, variations, or carve outs were applied towards the new IFRS-based local standards. These were made mainly to accommodate certain local regulations or common practices. We believe that this is also relevant to a lot of other jurisdictions, not only in the Asia-Oceania region but also other regions globally.

DSAK IAI believes that the Foundation should consider this interaction with the local responsibility, but not view it as a lack of commitment from the standard-setters toward promoting, converging, or adopting IFRSs as the accepted set of financial reporting standards.

#### **Proposed Memorandum of Understanding**

DSAK IAI believes that although supportive with the general idea of the MoU, a reservation is still present on the exact details of the MoU. The most important issue to consider is the potential implications of the MoU toward the responsibility and independence of the standard-setter and its role and interaction with its local jurisdictions and regulators.



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*Question 2 - The Foundation believes that, in order to be effective, the ASAF needs to be compact in size, but large enough to allow for an appropriate global representation. Do you agree with the proposed size and composition as set out in paragraphs 6.7–6.13? Why or why not?*

DSAK IAI has reviewed the proposed commitments size and composition as set out in paragraphs 6.7 – 6.13. We generally support both the proposed size and composition of the ASAF.

### **Proposed Size**

We agree that it is important to consider the need to establish a technical forum that is effective in its technical deliberation, considering the technicality of the issues that need to be discussed thoroughly. Thus, we believe that the proposed size is generally acceptable and also strike a good balance in ensuring effective discussion and representative of the global standard-setters. Flexibility should also be considered, to accommodate for the potential changes in the composition of the global standard-setters in the future, without sacrificing the initial objective of establishing an effective forum.

### **Proposed Composition**

DSAK IAI appreciates the proposed composition and allocation of the ASAF members. Specific for the Asia-Oceania region, we believe that the allocation of 3 seats is a relatively fair reflection of the region compared to the other regions globally. We believe that along with DSAK IAI, there are other standard-setters in the region who could offer the required resources and technical capability, to be an active and supportive member of the ASAF. Involvement in the AOSSG ensures standard-setters in the region to have a good regional knowledge and understanding.

A constructive comment that we could propose is for the Foundation to consider the large size of the Asia-Oceania region, and more importantly the extensive range of the IFRSs adoption/convergence process between the jurisdictions in the region. Considering the objective of ASAF is to provide valuable inputs for the global standard setting process, we believe that the Asia-Oceania region could offer extensive range of point of views to enrich the discussion process. In our region we have jurisdictions that have fully adopted IFRSs, partially adopted IFRSs, converging into IFRSs, and even still only consider either converging with or adopting IFRSs. Taking this into consideration, should there is an opportunity for the Asia-Oceania region to be represented by more than 3 members, maybe through 1 of the seat available for the World at large, we would highly support any possibility for this to happen.

**\*\*\*\*\* END OF APPENDIX \*\*\*\*\***