

JURISDICTIONAL SNAPSHOT: Indonesia



‘The Institute of Indonesia Chartered Accountants (Ikatan Akuntan Indonesia/IAI) has shown a strong commitment through the publication of the Sustainability Disclosure Standards Roadmap, which supports the implementation of ISSB Standards. IAI will issue a Sustainability Disclosure Standard (SPK) based on the ISSB Standards as the basis for preparing sustainability-related financial disclosures in Indonesia, with the ultimate goal to maintain the competitiveness of the national economy related to sustainability aspects.’

The Institute of Indonesia Chartered Accountants

The IFRS Foundation is providing this high-level overview of the regulatory approach the jurisdiction has proposed or indicated it intends to take for the adoption or other use of ISSB Standards (including local sustainability-related disclosure requirements (or standards) designed to deliver functionally aligned outcomes to those resulting from the application of IFRS S1 and IFRS S2). The IFRS Foundation has undertaken a preliminary review of the proposed regulatory framework. The final jurisdictional approach may differ from the preliminary summary provided herein. This overview may therefore differ from content the IFRS Foundation may publish in a future jurisdictional profile, including as a result of additional information or changes made by a jurisdiction in finalising its regulatory approach to sustainability-related reporting.

Regulatory stage	<p>In progress.</p> <p>In December 2024, the Institute of Indonesia Chartered Accountants (Ikatan Akuntan Indonesia/IAI) published the Roadmap on the Indonesian Sustainability Disclosure Standards as an initial step in supporting the implementation of sustainability disclosure standards based on the global baseline of ISSB Standards.</p> <p>In December 2024, IAI also issued an exposure draft of Indonesian Sustainability Disclosure Standards (SPK) for consultation.</p> <p>The IAI expects to issue its final SPK standards in Q2 2025.</p> <p>The Indonesia Financial Services Authority (OJK) is expected to provide an endorsement statement for the use of final SPK Standards and revise its existing rules on sustainability-related disclosures to determine the entities that will be required to prepare sustainability reports in accordance with SPK standards.</p>
Relevant authority or authorities	<p>Indonesia Financial Services Authority (OJK)</p> <p>Institute of Indonesia Chartered Accountants (Ikatan Akuntan Indonesia / IAI)</p> <p>Bank Indonesia</p> <p>The Ministry of Finance</p>

Proposed requirements

Name of framework or standards	Sustainability Disclosure Standards (SPK), comprised of draft PSPK 1 (based on IFRS S1) and draft PSPK 2 (based on IFRS S2).
Date when requirements are proposed to become effective	<p>To be determined.</p> <p>In accordance with the Roadmap, PSPK 1 and PSPK 2 are expected to become effective as of 1 January 2027.</p> <p>Earlier application is proposed to be permitted.</p>
Reporting entities	<p>To be determined.</p> <p>Proposed for publicly accountable entities, including listed entities and financial service industries.</p>
Required or permitted	<p>To be determined.</p> <p>Climate-related disclosures expected to be required by OJK.</p> <p>The Roadmap indicates that it is proposed that sustainability-related financial disclosures will include mandatory climate-related disclosures.</p> <p>Information beyond climate-related disclosures is proposed to be provided on a voluntary basis.</p>
Focus	Existing and potential investors, lenders and other creditors.
Scope of sustainability-related risks and opportunities on which entities must report	<p>The scope of mandatory sustainability-related disclosures will be determined by OJK and other relevant authorities.</p> <p>The exposure draft of the SPK proposes requiring the disclosure of climate-related risks and opportunities (in accordance with SPK) for the first three years of application. Disclosures about other sustainability-related risk and opportunities would be permitted during that time.</p> <p>The IAI's Sustainability Standards Board has announced that it proposes to conduct a post-implementation review of the practices and conditions of the sustainability disclosure ecosystem during 2027 to 2029 to determine the scope and effective date of any broader sustainability disclosures beyond climate.</p>
Materiality filter for disclosures	<p>Required disclosures would be subject to materiality.</p> <p>The proposed definition of 'material information' is as provided for in ISSB Standards.</p>
Timing, location and reporting entity	<p>The entities subject to mandatory sustainability-related disclosure requirements will be determined by OJK, who will also be responsible for determining the timing and location of disclosure of sustainability-related information.</p> <p>Draft PSPK 1 proposes providing flexibility by allowing sustainability-related financial disclosures to be submitted one month after the</p>

	<p>publication of the related financial statements, but no later than the issuance of the annual report.</p> <p>In accordance with draft PSPK 1, the proposals in relation to the location of the reported information and reporting entity would be aligned with ISSB Standards.</p>
Extensions of transition reliefs	<p>Draft PSPK 2 proposes the extension of some transition reliefs in IFRS S2 as follows:</p> <ul style="list-style-type: none"> • If, in the annual reporting period immediately preceding the date of initial application of PSPK 2, the entity used a method for measuring its greenhouse gas emissions other than the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</i> (2004), the entity is permitted to continue using that other method for a period of three years. • For a period of three years from the first annual reporting period when PSPK 2 is applied, the entity is not required to disclose its Scope 3 greenhouse gas emissions.
Jurisdictional modifications from requirements in ISSB Standards	<p><u>Global Industry Classification Standard</u>: draft PSPK 2 proposes not requiring entities to use the Global Industry Classification Standard (GICS) in disaggregating information related to financed emissions for commercial banking and insurance industries.</p> <p>PSPK 2 proposes to require entities to use the industry classification system established by the regulator to classify counterparties for this disclosure.</p> <p>The ISSB has proposed amendments to IFRS S2 relating to the requirement to use GICS, which may affect the IAI's position on this topic in its final PSPK 2 Standard.</p>
Additional disclosure requirements	<p>SPK Standards proposed to incorporate requirements aligned with those in IFRS S1, requiring that sustainability-related financial disclosures prepared in accordance with SPK Standards should be clearly identifiable, distinguished from other information provided by the entity and not obscured by that additional information.</p>
Assurance requirements	<p>Under consideration.</p>
Further information	<p>None.</p>
Relevant document(s)	<p>Exposure Draft of PSPK 1: PSPK 1 – Draft Exposure Exposure Draft of PSPK 2: PSPK 2 – Draft Exposure Roadmap Summary of Differences between IFRS Sustainability Disclosure Standards and Exposure Draft Sustainability Disclosure Standards (DE SPK)</p>