

# Bank Indonesia Financial Accounting Policies (KAKBI)



Komite Penyusun KAKBI

**STATEMENT OF FINANCIAL ACCOUNTING POLICY  
NUMBER 01**

**ACCOUNTING POLICIES**

## **FOREWORD**

The Steering Board of the Bank Indonesia Financial Accounting Policies Committee (“KAKBI Committee”) approved and adopted the Statement of Financial Accounting Policy No. 01 at its meeting on 20 December 2013.

Jakarta, 20 December 2013

KAKBI Committee Steering Board

Rosita Uli Sinaga	Chair
Mubarakah	Deputy Chair
Perry Warjiyo	Member
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Marsuki	Member
Sidharta Utama	Member
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**STATEMENT OF FINANCIAL ACCOUNTING POLICY NUMBER 01****ACCOUNTING POLICIES**

*Statement of Financial Accounting Policy (PKAK) 01 consists of paragraphs 1-17. All of the paragraphs in this Statement are equally binding. The paragraphs that are printed in bold type and italics set out the main principles. PKAK 01 must be read in conjunction with the Fundamental Principles for the Preparation and Presentation of Bank Indonesia Financial Statements. It is not mandatory for this Statement to be applied to elements that are not material.*

**INTRODUCTION****Objective**

01. The objective of this Statement is to prescribe the criteria for selecting accounting policies and determining the application of accounting policies. This Statement is intended to enhance the relevance and reliability of the financial statements of Bank Indonesia as well as the comparability of financial statements over time.

**Scope**

*02. This Statement shall be applied in selecting and applying accounting policies.*

*03. The following terms are used in this Statement:*

*Accounting policies are the specific principles, bases, conventions, rules and practices applied by Bank Indonesia in preparing and presenting financial statements.*

*The Conceptual Framework for the Preparation and Presentation of Financial Statements (KDP2LK) is the concepts that are contained in the general accounting standards that provide the basis for the preparation and presentation of the financial statements.*

*The Conceptual Framework for the Preparation and Presentation of Sharia-Compliant Financial Statements (KDP2LK Sharia) is the concepts that are contained in the sharia accounting standards that provide the basis for the preparation and presentation of sharia-based financial statements.*

1 ***Material Omissions or misstatements in recording items in the***  
2 ***financial statements are material if they could, individually or***  
3 ***collectively, influence the economic decisions of financial Statement***  
4 ***users. Materiality depends on the size and nature of the omission or***  
5 ***misstatement judged in the surrounding circumstances. The size or***  
6 ***nature of the item in the financial statements, or a combination of***  
7 ***both, could be the determining factor.***

8  
9 ***Statements of Financial Accounting Policy (PKAK) is regulation of***  
10 ***financial accounting policies, including recognition, measurement,***  
11 ***presentation and disclosure for each class of financial transactions***  
12 ***and events that affect the financial condition of Bank Indonesia. The***  
13 ***PKAK is issued by the Bank Indonesia Financial Accounting Policies***  
14 ***Committee.***

15  
16 ***Fundamental Principles for the Preparation and Presentation of Bank***  
17 ***Indonesia Financial Statements (PDP2LK) is a conceptual framework***  
18 ***for determining, among other things, the elements, qualitative***  
19 ***characteristics, basic concepts, assumptions, and limitations in the***  
20 ***preparation and presentation of Bank Indonesia's financial***  
21 ***statements, including guidelines for the adoption of generally***  
22 ***accepted financial accounting standards.***

23  
24 ***General accounting standards (GAS) are statements and***  
25 ***interpretations issued by the Indonesian Institute of Accountants'***  
26 ***Financial Accounting Standards Board.***

27  
28 ***Sharia accounting standards (SAS) are statements and interpretations***  
29 ***issued by the Indonesian Institute of Accountants' Sharia Accounting***  
30 ***Standards Board.***

31  
32 04. Assessing whether an omission or misstatement could influence  
33 the economic decisions of users, and so be material, requires consideration  
34 of the characteristics of those users. Fundamental Principles for the  
35 Preparation and Presentation of Bank Indonesia Financial Statements  
36 (PDP2LK) state in paragraph 40 that "Users are assumed to have a  
37 reasonable knowledge of the objective of Bank Indonesia and its impact on  
38 financial reporting of Bank Indonesia, and to have the ability to study the  
39 information in question." Therefore, the assessment needs to consider how  
40 users will be rationally influenced in their decision-making.

## ACCOUNTING POLICIES

### Selection and Application of Accounting Policies

**05. When a Statement of Accounting Policy (PKAK) specifically applies to a transaction, other event or condition, the accounting policy applied to that item shall be determined by applying the PKAK.**

06. PKAKs set out accounting policies to result in financial statements containing relevant and reliable information about the transactions, other event or conditions. Those policies need not be applied when the effect of applying them is immaterial. However, it is inappropriate to make or, leave uncorrected, departures from PKAKs to achieve a particular presentation on the financial position and surplus deficit.

07. PKAKs are accompanied by guidelines to assist Bank Indonesia in applying the requirements set out in the PKAK. Guidance that is an integral part of PKAKs is mandatory. By contrast, guidance that is not an integral part of PKAKs does not contain requirements for financial statements.

**08. In the absence of a PKAK that specifically applies to a particular transaction, other event or condition, and no specific GAS or SAS can be referenced, Bank Indonesia shall use its judgment in developing and applying an accounting policy that result in information that is:**

- a. relevant to the decision-making needs of users; and**
- b. reliable, in that the financial statements:**
  - i. represent faithfully the financial position and surplus deficit;**
  - ii. reflect the economic substance of transactions, other events and conditions, and not merely their legal form;**
  - iii. are neutral, i.e., free from bias;**
  - iv. are prudent; and**
  - v. are complete in all material respects.**

**09. In making the judgment described in paragraph 08, Bank Indonesia shall:**

- a. identify and define the transaction, other events and conditions as being a conventional or sharia-compliant transactions, other events and conditions; and**
- b. identify and define the transaction, other events and conditions as a unique or non-unique transaction, other events and conditions; and**
- c. consider references from a variety of sources, as described in paragraphs 10 to 13.**

1           **10. For a transaction, other events and conditions that is**  
2 **conventional and unique, Bank Indonesia shall consider the following**  
3 **sources in descending order of priority:**

- 4 **a. the requirements and guidance in the PKAK for dealing with**  
5 **similar and related issues;**  
6 **b. the definitions, recognition criteria and measurement concepts for**  
7 **assets, liabilities, income, and expenses in Fundamental Principles**  
8 **for the Preparation and Presentation of Bank Indonesia Financial**  
9 **Statements (PDP2LK);**  
10 **c. the accounting guidelines used by other central banks; and**  
11 **d. the requirements and guidance set out in the GAS for dealing with**  
12 **similar and related issues, where these are capable of reflecting**  
13 **the purpose of the transaction as conducted by Bank Indonesia.**

14  
15           **11. In the case of transactions, other events and conditions that**  
16 **are conventional and non-unique, Bank Indonesia shall consider the**  
17 **following resources in descending order of priority:**

- 18 **a. the requirements and guidance set out in the GAS for dealing with**  
19 **similar and related issues; and**  
20 **b. the definitions, recognition criteria and measurement concepts for**  
21 **assets, liabilities, income, and expenses in The Conceptual**  
22 **Framework for the Preparation and Presentation of Financial**  
23 **Statements (KDP2LK).**

24  
25           **12. For transactions, other events and conditions that are**  
26 **sharia-compliant and unique, Bank Indonesia shall comprehensively**  
27 **consider:**

- 28 **a. Bank Indonesia's objective;**  
29 **b. the economic and legal substance of the transactions, other events,**  
30 **or conditions;**  
31 **c. the accounting treatment, based on the accounting standards, that**  
32 **is applied to similar transactions, events, or other conditions by**  
33 **other entities;**  
34 **d. generally accepted sharia accounting principles; and the opinion of**  
35 **the competent authority for assessing sharia-compliant**  
36 **transactions.**

37  
38           **13. For transactions, other events, or conditions that are sharia-**  
39 **compliant and non-unique, Bank Indonesia shall consider the**  
40 **following sources in descending order of priority:**

- 41 **a. the requirements and guidance set out in the SAS for dealing with**  
42 **similar and related issues;**



- 1 **b. the definitions, recognition criteria and measurement concepts**  
 2 **applicable to assets, liabilities, income, and expenses in The**  
 3 **Conceptual Framework for the Preparation and Presentation of**  
 4 **Sharia-Compliant Financial Statements (KDP2LK Sharia); and**  
 5 **c. the requirements and guidance set out in the GAS, which are in**  
 6 **accordance with the SAS, for dealing with similar issues.**

7  
 8 **14. In making the judgment described in paragraph 08 above,**  
 9 **Bank Indonesia also consider the current accounting standards issued**  
 10 **by accounting standards bodies, or as described in the accounting**  
 11 **literature, to the extent that these do not conflict with the references**  
 12 **described in paragraphs 10 to 13.**

13  
 14 **Consistency in Accounting Policy**

15  
 16 **15. Bank Indonesia selects and applies accounting policies in a**  
 17 **consistent manner to similar transactions, other events and**  
 18 **conditions, except where a PKAK specifically governs or permits the**  
 19 **grouping of items subject to different accounting policies is**  
 20 **appropriate. If a PKAK governs or permits such grouping, the**  
 21 **appropriate accounting policies are selected and applied consistently**  
 22 **to each group.**

23  
 24 **TRANSITIONAL PROVISIONS**

25  
 26 16. This Statement shall apply prospectively.

27  
 28 **EFFECTIVE DATE**

29  
 30 17. This Statement shall be effective counting from such date as may  
 31 be stipulated by Bank Indonesia Board of Governors' Regulation.

**Bank Indonesia Financial Accounting Policies Committee**

Bank Indonesia, Building C, 10th Floor,

Jl. MH Thamrin, No.2, Jakarta Pusat, 10350

Phone: +6221-29817018 / 29817150; Fax: +6221-34830210,

Email: [kpkakbi@bi.go.id](mailto:kpkakbi@bi.go.id)