



# **REGULAR TAX DISCUSSION**

## **Perlakuan Penyusutan Aset Tetap dan Amortisasi Aset Takberwujud**

**Oleh. Budi Susanto**  
**Ketua Tim Implementasi SAK IAI**

**Jakarta, 25 Oktober 2023**



*Materi ini dipersiapkan sebagai bahan pembahasan isu terkait, dan tidak merepresentasikan posisi TISAK IAI atas isu tersebut. Posisi TISAK IAI hanya ditentukan setelah melalui due process procedure dan proses pembahasan sebagaimana dipersyaratkan oleh IAI.*



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# Property, Plant, Equipment

PSAK 16

# Definitions

**Held for production, rental, administrative use**

**Expected to be used > 1 period**



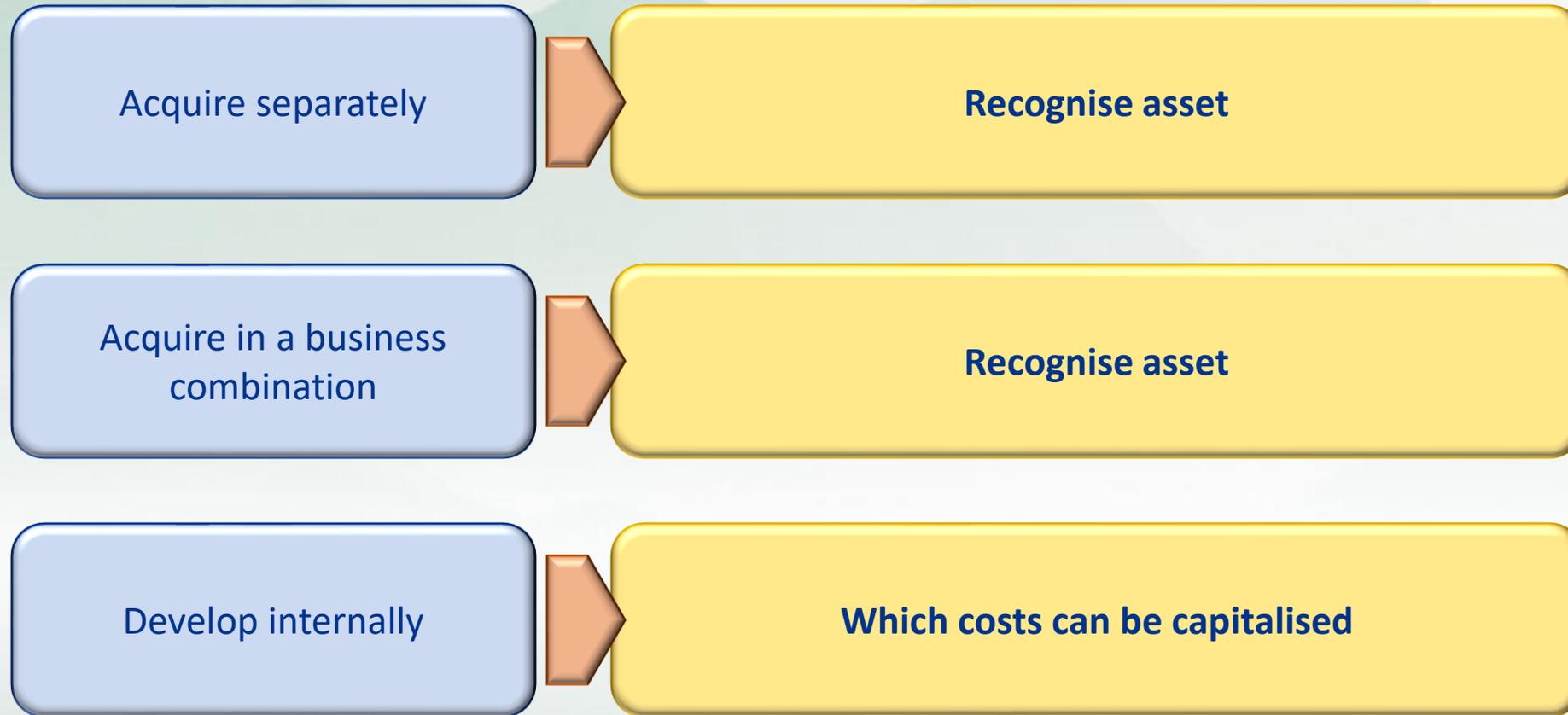
# Recognition

**Probable future economic benefits**

**Cost can be measured reliably**



# Three ways to acquire

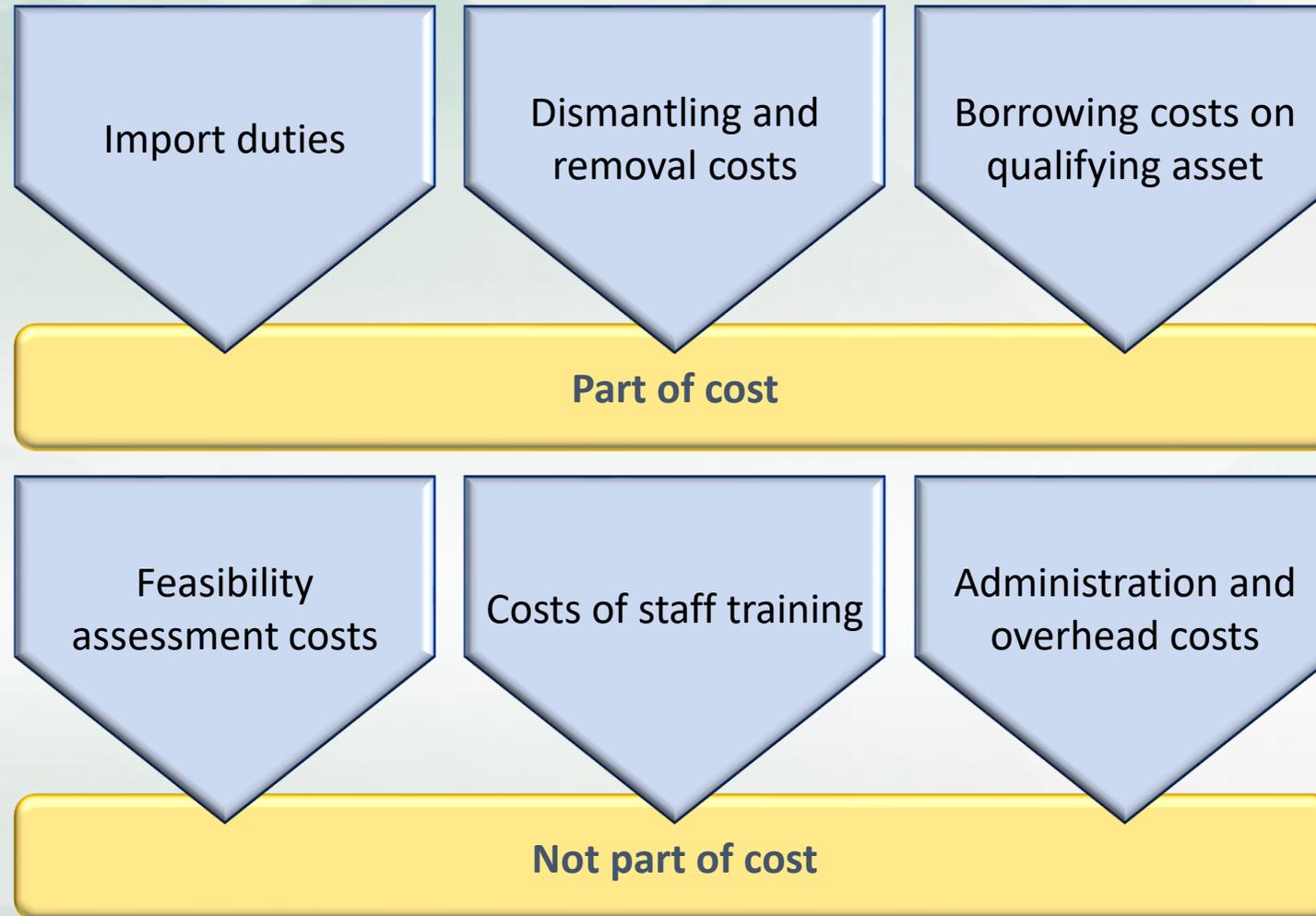


# Measurement at cost

**Expenditure directly attributable to bringing asset to location and condition necessary for intended use**



# Examples of costs



# Subsequent measurement: Cost vs revaluation model

Cost model

Cost less:

- ◆ Depreciation
- ◆ Impairment losses

Revaluation model

Revalued amount less:

- Depreciation
- Impairment losses

# Revaluation model restrictions



- ◆ Revalue by class
- ◆ Keep up to date

# Revaluation of PPE



All assets in the class at the same time

Up to date revaluations

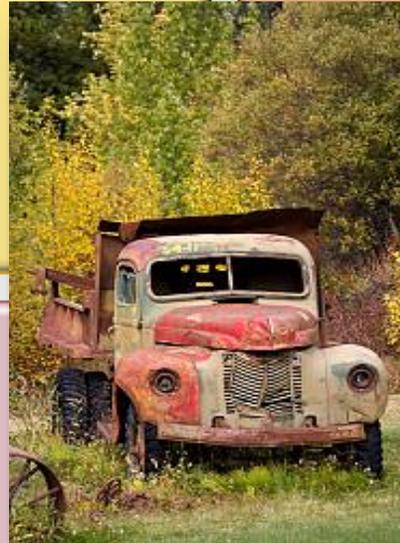
Surplus revaluation generally recognised in OCI

**OCI = other comprehensive income**

# Principles of depreciation

**Systematic allocation of cost to profit or loss over useful life**

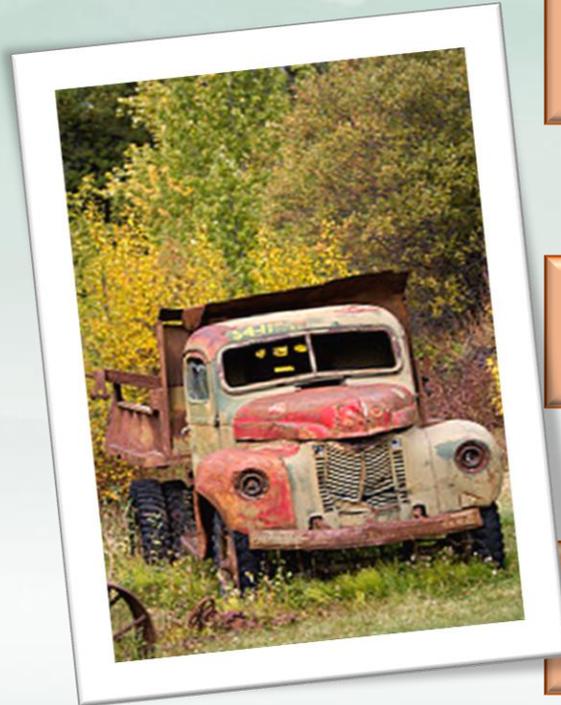
**Amount determined after deducting residual value**



**Changes are changes in estimates**

**Review of key assumptions at least each reporting date**

# Factors in assessing useful life



**Expected usage, life cycles,  
obsolescence, industry**

**Periods of control and legal limits**

**Contractual terms and renewal periods**

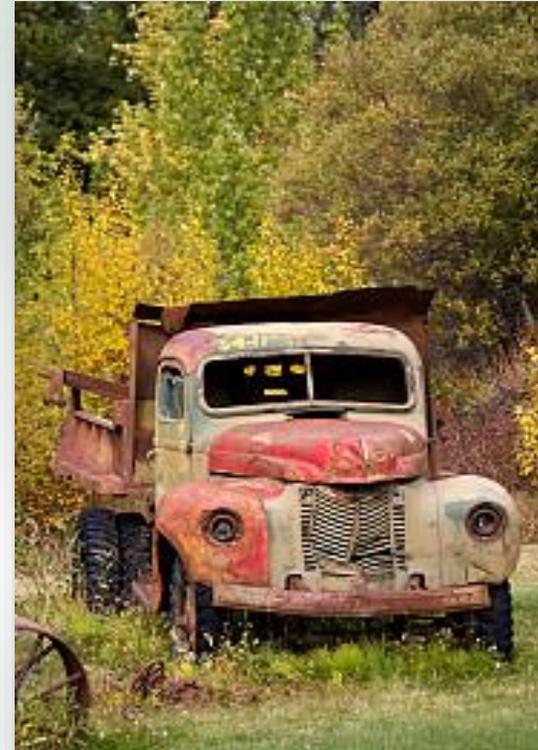
# Methods of depreciation

## Depreciation examples

Straight-line

Reducing balance

Unit-of-production



# Component accounting

**Item consists of individual components**

**Depreciation method / useful life different for each component**



**Components can be physical (parts) or non-physical (e.g. overhaul costs)**

**Components significant in relation to total cost of item**



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# Intangible Asset

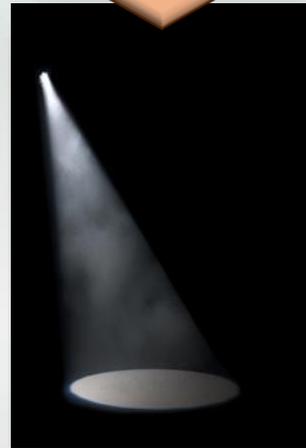
PSAK 19

# Definitions

**Controlled  
by the entity**

**Expected future economic  
benefits**

**Expected to be used > 1  
period**



**Identifiable asset  
without physical  
substance**

# What is identifiable?



**Arises from contractual / other legal rights**

or

**Is separable**

# What is control?



**Power to obtain future economic benefits**

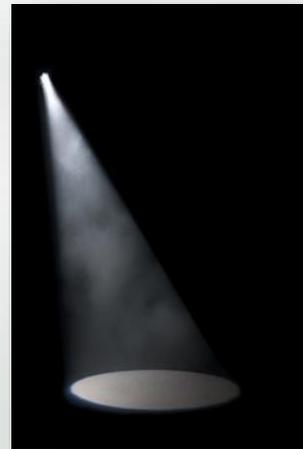


**Restrict access of others to benefits**

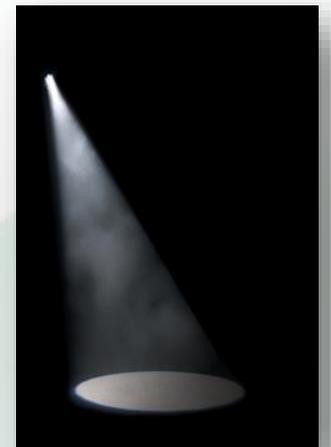
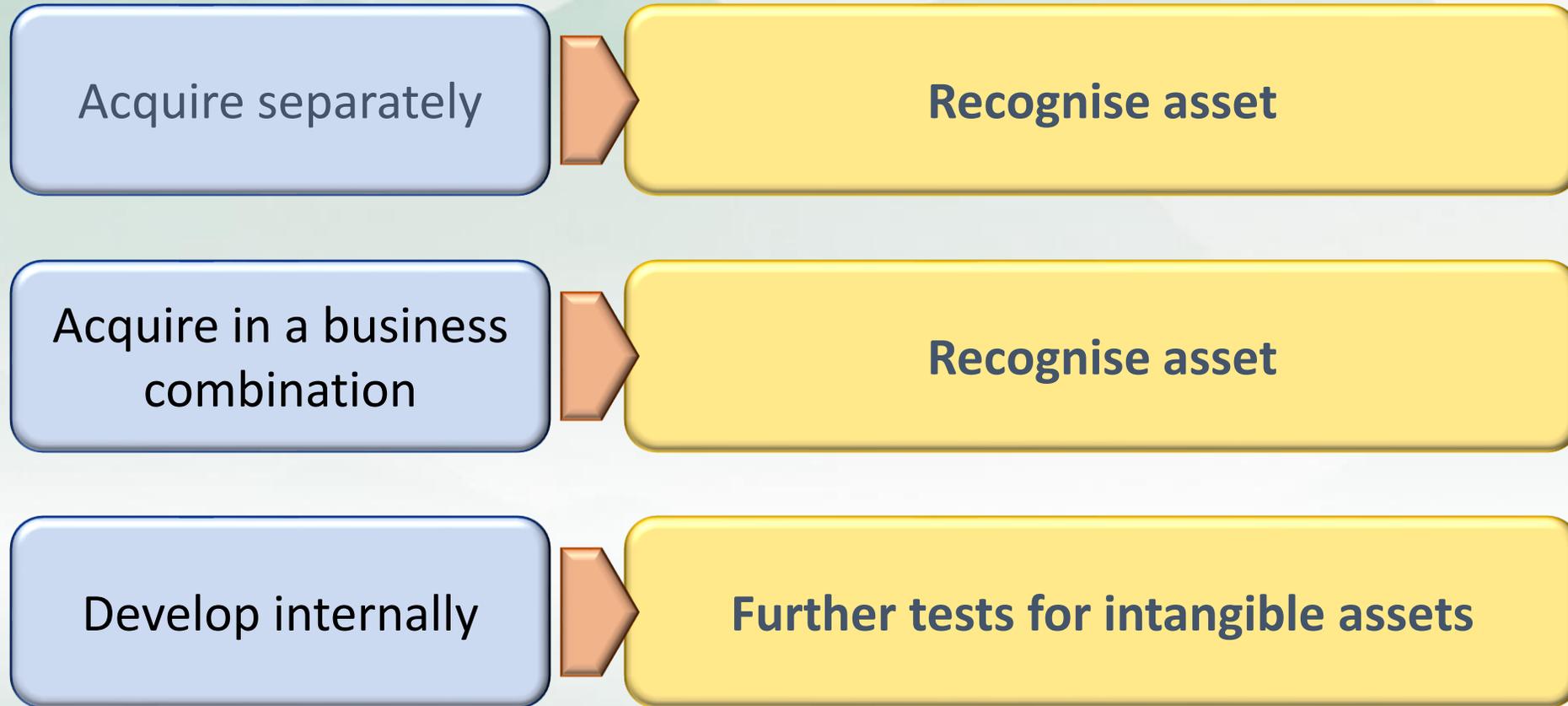
# Recognition

**Probable future economic  
benefits**

**Cost can be measured  
reliably**

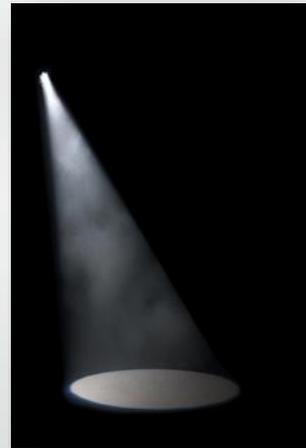


# Three ways to acquire



# Measurement at cost

**Expenditure directly attributable to bringing asset to location and condition necessary for intended use**



# Examples of costs

Import duties

Professional fees arising directly  
from bringing the asset to its  
working condition

Costs of testing whether the asset  
is functioning properly

**Part of cost**

Feasibility assessment costs

Costs of staff training

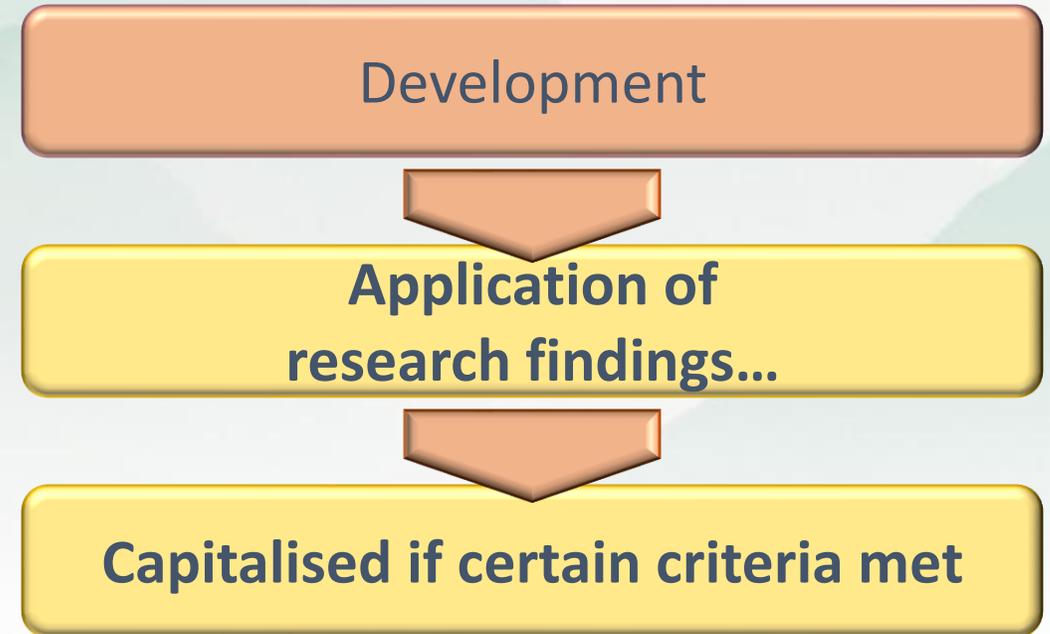
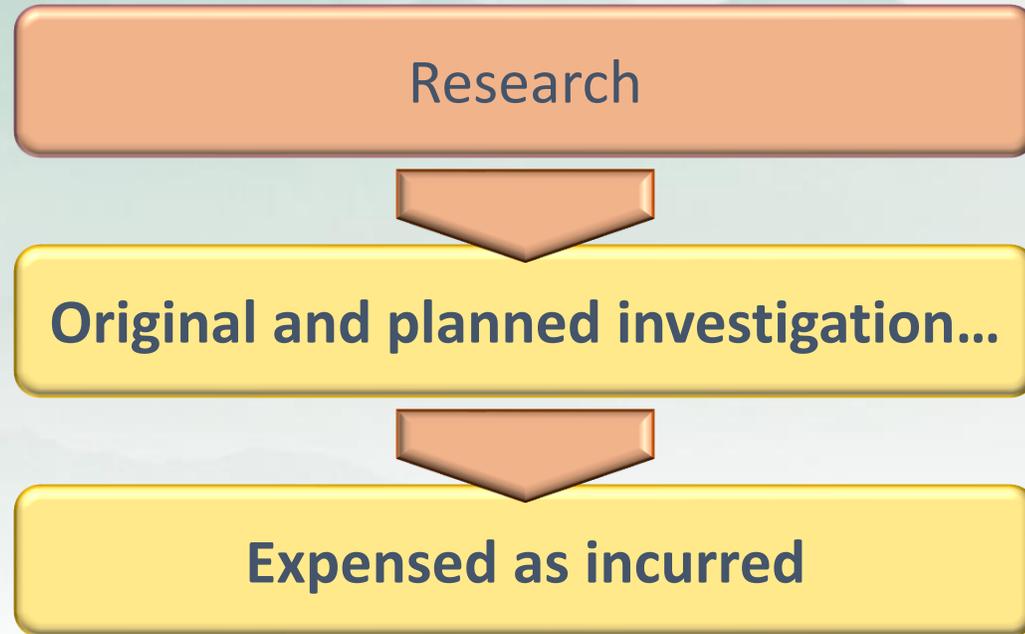
Administration and overhead costs

**Not part of cost**



# Internally Generated Asset

# Research vs development



# Development costs capitalised when

Technical feasibility established

Intention to complete and use or sell

Ability to use or sell

How economic benefits will be generated

Availability of adequate technical, financial, other resources

Ability to measure expenditure reliably



# Additional restrictions

Internally  
generated  
goodwill

Expenditure on  
brands, *etc.*

Start-up costs

**Not recognised as internally generated intangible assets**

# Subsequent measurement: Cost vs revaluation model

Cost model

Cost less:

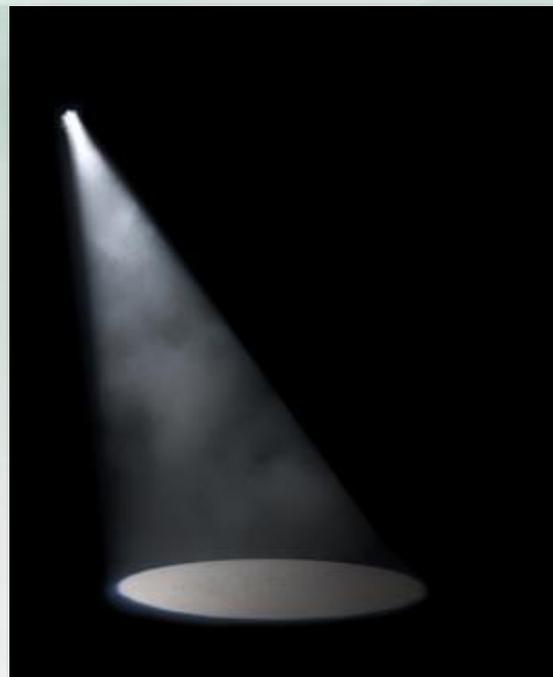
- ◆ Amortisation
- ◆ Impairment losses

Revaluation model

Revalued amount less:

- Amortisation
- Impairment losses

# Revaluation model restrictions



- ◆ Revalue by class
- ◆ Need an active market

# Principles of amortisation

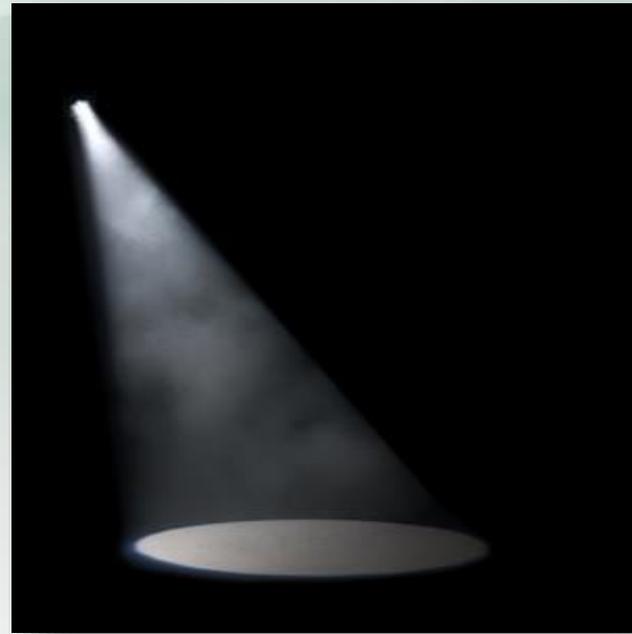
**Systematic allocation of cost to profit or loss over useful life**

**Amount determined after deducting residual value**

**Changes are changes in estimates**

**Review of key assumptions at least each reporting date**

# Useful lives

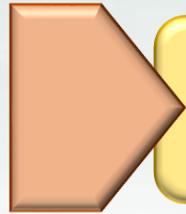


**Might be indefinite**

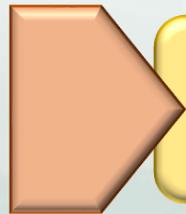
# Factors in assessing useful life



**Expected usage, life cycles,  
obsolescence, industry**



**Periods of control and legal limits**



**Contractual terms and renewal periods**

# Indefinite-lived intangible assets



**No foreseeable limit on  
period of cash inflows**

**Planned future expenditure other than  
to maintain standard is not included**

**Indefinite does not mean infinite**

# Methods of amortisation

## Amortisation examples

Straight-line

Reducing balance

Unit-of-production

Revenue-based\*

**Rebuttable presumption:** amortisation based on revenue is inappropriate.

The presumption can only be overcome in **limited circumstances:**

(a) intangible asset is expressed as a measure of revenue; or

(b) high correlation between revenue and consumption of economic benefits of the intangible asset.