



ROADMAP OF INDONESIAN SUSTAINABILITY DISCLOSURE STANDARDS

Indonesian Sustainability Standards Oversight Board of IAI Indonesian Sustainability Standards Board of IAI

December 2024



The Institute of Indonesia Chartered Accountants or Ikatan Akuntan Indonesia (IAI) is the recognized Professional Accountancy Organization (PAO) in Indonesia. Established on December 23, 1957, IAI continues to serve and develop the accountancy profession in the country through among others, establishment of the Chartered Accountant (CA) Indonesia qualification and other professional accountancy certifications, continuous education and training, and standard-setting activities.

IAI is home to more than 33,000 Indonesian accountants from different backgrounds; public accountants, educators, accountants in business, public sector, tax, and forensic accountants.

The Institute is recognized as a co-founding member of both the ASEAN Federation of Accountants (AFA) and the International Federation of Accountants (IFAC). IAI also an Associate Member of the Chartered Accountants Worldwide (CAW), reflect it's global recognition for the Chartered Accountant (CA) Indonesia holders.

IAI is committed to implement IFAC's standards as the best practice in improving the quality of the accountancy profession in Indonesia.

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ROADMAP OF INDONESIAN SUSTAINABILITY DISCLOSURE STANDARDS

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FOREWORD

The accounting profession plays a strategic role in supporting transparency and accountability in financial information within business and economic activities. In the era of sustainability, which has now become a global priority, accountants are also required to adapt and take on a critical role in supporting sustainability agendas at both national and international levels.

The Institute of Indonesia Chartered Accountants (IAI) has demonstrated a strong commitment to preparing the sustainability disclosure ecosystem in Indonesia, including through the publication of the Roadmap for the Sustainability Disclosure Standards (Standar Pengungkapan Keberlanjutan/SPK). This document marks an initial step in supporting the implementation of international sustainability disclosure standards based on the global baseline, namely the ISSB Standards. The SPK is expected to provide reliable, relevant, and integrated sustainability information that meets the needs of investors and creditors.

As the G20 presidency in 2022, Indonesia promoted the recognition of ISSB Standards through the G20 Bali Leaders' Declaration. The SPK Roadmap represents a tangible follow-up to this commitment at the national level. The roadmap not only focuses on strategies for standard development but also identifies the supporting ecosystem needs, such as regulations, infrastructure, and capacity building for stakeholders within the sustainability reporting ecosystem.

Through the SPK Roadmap, we continue to strive to be a pioneer in the development of sustainability disclosure standards that align with international developments while considering domestic conditions and needs. We believe this initiative will contribute positively to national business and economic progress.

We extend our gratitude and appreciation to the Financial Services Authority (OJK), Bank Indonesia, the Ministry of Finance, and the Ministry of Environment and Forestry for their guidance and input in drafting the SPK Roadmap, including ex-officio representatives in the Indonesian Sustainability Standards Oversight Board (Dewan Pemantau Standar Keberlanjutan/DPSK) and the Indonesian Sustainability Standards Board (Dewan Standar Keberlanjutan/DSK). We also appreciate the hard work of DPSK and DSK in preparing this document and the valuable contributions from all stakeholders during the public consultation process.

May the SPK Roadmap serve as a solid foundation for achieving high-quality sustainability disclosures standards in Indonesia.

Jakarta, December 2024

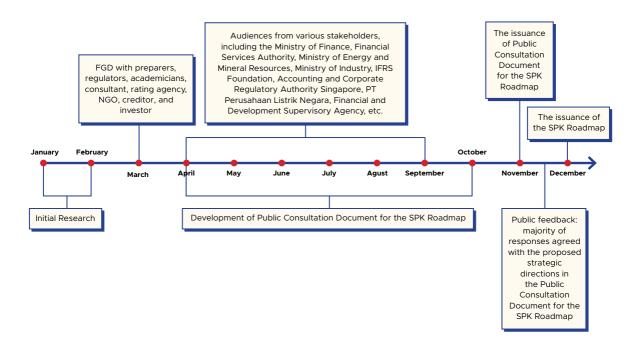
Dr. Ardan Adiperdana, CA

President

Institute of Indonesia Chartered Accountants

SPK ROADMAP

Indonesian Sustainability Disclosure Standards (Standar Pengungkapan Keberlanjutan/SPK) Roadmap is proposed by the Indonesian Sustainability Standards Board of IAI, approved by the Indonesian Sustainability Standards Oversight Board of IAI, and ratified by the National Council of IAI. The SPK Roadmap was developed since early 2024, including stages of consultation and public feedback.



EXECUTIVE SUMMARY

This document serves as a strategic direction for Indonesia's commitment to develop and implement the Indonesian Sustainability Disclosure Standards (Standar Pengungkapan Keberlanjutan/SPK) which refer to ISSB Standards. The publication of SPK aims to support the development of national sustainable finance through sustainability reporting aligned with international standards.

BACKGROUND

Indonesia has demonstrated its commitment to international agreements on climate change through the ratification of Law No. 16 of 2016. The country continues to reinforce its commitment to reducing carbon emissions as part of its national and international sustainability agenda. Achieving this goal requires significant funding from both the government and business actors.

During its G20 presidency in 2022, Indonesia contributed to the G20 Bali Leaders' Declaration, which included a point welcoming the finalization of ISSB Standards for global sustainability reporting. The adoption of ISSB Standards has gained support from IOSCO, G20, ACMF, and other international organizations. Twenty-six countries, including Singapore, Malaysia, and the Philippines, have committed to adopting ISSB Standards. Several countries, such as Australia and the European Union, began implementing ISSB Standards in 2024.

Sustainability reporting based on ISSB Standards is crucial for national business and economic activities. The national capital market, with a significant proportion of foreign investors, domestic companies seeking international funding, and companies engaged in international trade and domestic commerce, requires sustainability information presented in reports aligned with ISSB Standards.

To meet this need, IAI will issue the SPK which refer to ISSB Standards as the foundation for preparing general-purpose sustainability reports in Indonesia. The ultimate goal of publishing SPK is to maintain the competitiveness of the national economy in the context of sustainability.

STRATEGY

IAI will implement two main strategies in developing SPK as the foundation for sustainability reporting:

- Sustainability reports under SPK will include climate-related information, while other sustainability-related information (beyond climate) will remain voluntary.
- 2 SPK, as the basis for sustainability reporting, will become effective on January 1, 2027, with the option for early adoption.

ASSURANCE

Audit or other forms of assurance by independent parties are critical to ensure the integrity of sustainability reports. The obligation for audits and the entities conducting these audits are key aspects of the assurance process for sustainability reports.

ECOSYSTEM

Sustainability reporting based on SPK is a new initiative that requires a supporting ecosystem. Building and strengthening this ecosystem necessitates contributions and collaboration among various stakeholders, including regulators such as the Ministry of Finance, Financial Services Authority, Bank Indonesia, other ministries, agencies, and authorities; companies preparing sustainability reports; assurance providers for sustainability reports; and IAI as the SPK standard setter.

I. BACKGROUND

- 1 Indonesia has affirmed its commitment to international climate change agreements by ratifying the Paris Agreement through Law No. 16 of 2016 on the Ratification of the Paris Agreement under the United Nations Framework Convention on Climate Change. Beyond the Paris Agreement, Indonesia has also reinforced its dedication to the UN Sustainable Development Goals by issuing Presidential Regulation No. 59 of 2017 on the Implementation of Sustainable Development Goals.
- 2 Indonesia's commitment to supporting international agreements on sustainability was further strengthened during its G20 presidency in 2022. G20 leaders, through the G20 Bali Leaders' Declaration, stated: "We look forward to the finalization of standards by the International Sustainability Standards Board (ISSB) in support of globally consistent, comparable and reliable climate-related financial disclosures, and its work beyond climate, and we welcome the efforts to achieve interoperability across disclosure frameworks". This statement marked the first acknowledgment of ISSB's role at the G20 level, which emerged during Indonesia's presidency.
- 3 In the same year, Indonesia also issued the Enhanced Nationally Determined Contribution (ENDC), which targets a 31.89% reduction in emissions by 2030 through domestic efforts (unconditional) and a 43.20% reduction with international assistance (conditional). Achieving these emission reduction targets will require substantial funding, both from the government and from business corporations.
- In the business sector, the role and contribution of fund owner are crucial in implementing climate commitments at the company level. The availability of sustainability information connected to financial information has become increasingly important for business players in Indonesia today. The following points illustrate situation.
 - The capital market is one of the ways to attract funds from investors, particularly foreign investors. Currently, capital market investors are requesting publicly listed companies to provide sustainability information that impacts the company's condition and financial performance. Domestic investors, especially institutional investors, are also incorporating sustainability issues into their investment considerations. Sustainability-themed capital market products continue to develop. Given the significant role of foreign investors, domestic institutional investors in the national capital market, and the growth of sustainability-related capital market products, it is essential to address the need for sustainability information and respond promptly to maintain the performance of the national capital market.
 - National companies seeking international funding will face creditors who require sustainability information to identify and report the impact of climate and other sustainability issues on the company's condition and financial performance. This needs to be addressed accordingly to enhance the access of national companies to international funding and to manage the interest rates on such funding.

- G Foreign investors planning to make direct investments in Indonesia have also incorporated sustainability aspects into their investment considerations. This needs to be addressed adequately by ensuring the availability of sustainability reports, as it will influence the level of foreign direct investment, which in turn will impact the national economy.
- Omestic and international trade activities are increasingly demanding sustainability information within the supply chains of goods, both domestically and internationally. Business partners in domestic trade are beginning to require sustainability information. Companies exporting products to international markets have been asked by international partners to provide sustainability information that aligns with international standards. This will have an impact on domestic trade activities and the performance of national exports.
- As the demand for sustainability information from various stakeholders—such as capital market investors, financing creditors, and business partners in both international and domestic trade—continues to rise, the need for sustainability reporting standards has become increasingly urgent. Efforts to develop sustainability reporting standards that connect sustainability information with financial information have now become a primary focus.
- 6 At the international level, the International Organization of Securities Commissions (IOSCO) has encouraged the IFRS Foundation to develop sustainability reporting standards based on a global baseline to meet the needs of global investors. In response towards the impetus and input from public consultations, the IFRS Foundation has taken significant steps to establish comprehensive sustainability reporting standards.
- In November 2021, the IFRS Foundation established the International Sustainability Standards Board (ISSB). In June 2023, the ISSB issued its first two standards for sustainability reporting (ISSB Standards), namely IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosure. These ISSB Standards effective on January 1, 2024.
- The ISSB Standards have received support from international and regional organizations and are being implemented in many countries. Below is an overview of the support for ISSB Standards and their international adoption.
 - OSCO has endorsed the ISSB Standards and encourages its members to consider adopting these standards in their respective national regulations. The goal is to create consistency and comparability in sustainability disclosures globally¹. Additionally, the Financial Stability Board, along with leaders of G2O and G7 member countries, has also expressed support for the ISSB Standards².
 - At the regional level, support has also been provided by the ASEAN Capital Market Forum (ACMF) through the signing of the ACMF-IFRS Foundation Dialogue on IFRS Sustainability Disclosure Standards protocol by the Financial Services Authority (Otoritas Jasa Keuangan), as the Chair of ACMF in 2023, and the IFRS Foundation.

¹ https://www.iosco.org/news/pdf/IOSCONEWS703.pdf

² https://www.ifrs.org/news-and-events/news/2023/06/ten-things-to-know-about-the-first-issb-standards/

- Currently, 26 countries worldwide have declared their commitment to adopt or use the ISSB Standards, including three ASEAN countries: Singapore, Malaysia, and the Philippines. The majority of these countries plan to implement the ISSB Standards by 2025 at the latest. Some countries, such as Australia, the European Union, Turkey, and Nigeria, have already enacted the ISSB Standards in 2024.
- The conditions outlined above highlight an urgent need for Indonesia to adopt the international sustainability reporting standards. Implementing these standards is a crucial factor in maintaining the nation's competitive advantage in sustainability-related aspects.
- At the national level, regulations related to sustainable finance in Indonesia are currently governed by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (Undang Undang Pengembangan dan Penguatan Sektor Keuangan/UU PPSK), particularly in Chapter XVII on the Implementation of Sustainable Finance. The UU PPSK mandates the establishment of the Sustainable Finance Committee, which includes the Ministry of Finance, the Financial Services Authority (Otoritas Jasa Keuangan), and Bank Indonesia. The Sustainable Finance Committee is mandated to develop databases and supporting infrastructure. As of date, the formation of the Sustainable Finance Committee is still in progress.
- 11 IAI, as a professional accountants organization with over 50 years of experience in developing financial accounting standards, recognizes the importance of the impact of sustainability issues on the condition and financial performance of companies as presented in financial statements.
- 1AI has taken proactive steps in response to international developments and dynamics related to sustainability reporting standards. These initiatives began in December 2020 with the establishment of the Task Force on Comprehensive Corporate Reporting (TFCCR). The task force is responsible for coordinating various activities to enhance the understanding of key stakeholders regarding the latest developments in sustainability reporting, both globally and in Indonesia³.
- On November 27, 2023⁴ the National Council of IAI (Dewan Pengurus Nasional/DPN IAI) established the Indonesian Sustainability Standards Board of IAI (Dewan Standar Keberlanjutan/DSK IAI) and the Indonesian Sustainability Standards Oversight Board of IAI (Dewan Pemanntau Standar Keberlanjutan/DPSK IAI). The formation of these two boards was carried out using a three-tiers mechanism to ensure strengthened governance and accountability.
 - The first tier is the DPN IAI, which guides strategic direction and oversees the overall governance and supervision of IAI.
 - **(b)** The second tier is DPSK IAI, which guides strategic direction and provides governance and specific oversight related to the development of standards.
 - The third tier is DSK IAI, which is responsible for the actual development of standards

https://web.iaiglobal.or.id/Berita-IAI/detail/terlibat-dalam-pengembangan-standar-sustainability-reportingglobal-iai-bentuk-task-force-ccr#gsc.tab=0

https://web.iaiglobal.or.id/Berita-IAI/detail/siaran_pers_-_pastikan_standar_keberlanjutan_di_indonesia_iai_sahkan_pembentukan_dpsk_dan_dsk#gsc.tab=0

- Currently, IAI is preparing the infrastructure for sustainability reporting by developing SPK, which refer to international standards (ISSB Standards). This initiative complements the Indonesian Financial Accounting Standards (Standar Akuntansi Keuangan/SAK), which are based on international standards, namely IFRS Accounting Standards. The SPK serves as the foundation for preparing sustainability reports, while the SAK provides the basis for financial statements. These financial statements and sustainability reports are complementary. In practice, financial statements and sustainability disclosure are currently presented as part of the annual report.
- The implementation of the SPK cannot be limited to the mere development of standards. It requires a robust ecosystem for sustainability reporting. A well-directed and comprehensive strategy for implementing the SPK is pivotal, as this represents a new initiative in Indonesia. Without a clear strategic framework, the implementation of the SPK may encounter various risks, such as the lack of readiness among companies, insufficient understanding among stakeholders, and limitations in supporting infrastructure.
- The sustainability reporting ecosystem encompasses various aspects, including supportive regulations, technological infrastructure, competent human resources, and adequate oversight. Currently, these key aspects are not yet fully established or sufficient.
- Given the conditions and factors mentioned above, the publication of the Indonesian Sustainability Disclosure Standards Roadmap (Standar Pengungkapan Keberlanjutan-SPK Roadmap) represents an initial step before the development and implementation of the SPK. This SPK Roadmap will serve as a strategic guidance for Indonesia in fulfilling its commitment to developing and applying the SPK, which aligns with the ISSB Standards issued by the ISSB, ensuring the production of high-quality sustainability reports that benefit both business activities and the national economy.

II. SUSTAINABILITY REPORTING PRACTICES IN INDONESIA

- The practice of sustainability reporting in Indonesia began with the enactment of Law No. 40 of 2007 on Limited Liability Companies, which requires companies engaged in business activities related to natural resources to implement social and environmental responsibility initiatives.
- Government Regulation No. 47 of 2012 on Social and Environmental Responsibility of Limited Liability Companies serves as the legal basis for requiring companies to disclose social responsibility information in their annual reports.
- The Financial Services Authority regulates the implementation of sustainable finance through The Financial Services Authority Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies (POJK 51/2017), which requires companies to prepare a Sustainability Report and a Sustainable Finance Action Plan (RAKB). The Financial Service Authority has also issued guidelines on the elements of sustainability information disclosure as outlined in The Financial Service Authority Circular Letter No. 16/SEOJK.04/2021 on the Format and Content of Annual Reports for Issuers and Public Companies (SEOJK 16/2021).
- 21 Although various regulations have required companies to disclose social and environmental responsibility, the majority of current sustainability reporting practices still tend to focus on the impact of a company's operations on the environment and broader stakeholders (inside out). This contradicts with the ISSB Standards' paradigm, which places greater emphasis on the impact of sustainability issues on the company itself (outside in). Hence, the shift in mindset related to the sustainability reporting practices is necessary.
- 22 The ISSB Standards require sustainability information to be integrated into the entire business process of a company, from governance, strategy, risk management, to targets and metrics, that aligns with the framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD).
- Companies that have prepared climate-related sustainability reports based on the TCFD have better positioned to adopt the ISSB Standards, as the TCFD requirements are incorporated within these standards.
- Based on several surveys, only a small number of companies in Indonesia have started preparing sustainability reports based on the TCFD. This highlights the need for greater preparation in terms of resources and infrastructure to meet the requirements of the SPK which in line with ISSB Standards. This circumstance indicates that considerable time and effort will be required to build readiness for implementing the SPK in Indonesia.

III. SUSTAINABILITY DISCLOSURE STANDARDS ROADMAP

3.1 Strategies for Implementation of the Standards

- 25 This document outlines a strategy for implementing the SPK, which includes:
 - degree of alignment to ensure that the standard provisions are aligned with the company's readiness and sustainability reporting practices.
 - effective date of the standards to ensure that companies have sufficient time to implement the standards.

Detailed provisions regarding the substance, level of alignment, and the effective date of the standards will be definitively determined through the due process procedure for standard setting process.

A. Degree of Alignment

- The degree of alignment refers to how the requirements in the SPK align with those in the ISSB Standards. The ISSB Standards require company to disclose both climate-related information and information beyond climate.
- The SPK Roadmap concludes that the SPK will require sustainability reporting to include climate-related information, while information beyond climate is considered voluntary. This decision takes into account current sustainability reporting practices and the existing ecosystem for sustainability reporting.
- This decision factors in the following facts:
 - The readiness of companies, which requires more time and effort in terms of resources and infrastructure, as explained in Section II. Sustainability Reporting Practices in Indonesia.
 - The ISSB Standards currently only provide specific requirements related to climate (IFRS S2). The ISSB is in the process of developing specific standards for reporting sustainability information beyond climate-related matters.
 - A survey conducted during a focus group discussion held by DSK IAI in March 2024 revealed that 65% of respondents focus on climate-related issues. Additionally, 56.5% of respondents at the IAI-IFAC Universitas Indonesia Accountancy Education International Seminar agreed that climate-related risks and opportunities could impact a company's financial performance.
 - The World Economic Forum Global Risks Report 2024 indicates that two-thirds of respondents identified extreme weather as a top priority risk.
- Following the implementation of the SPK on January 1, 2027, IAI will conduct monitoring from 2027 to 2029 to review the practices and conditions of the sustainability reporting ecosystem concerning non-climate information disclosure

(post-implementation review). The findings from this review, along with developments in the ISSB Standards, will serve as the basis for determining the scope of sustainability reporting under the SPK in the future.

- The SPK will require company to disclose climate-related information, while information beyond climate remains voluntary.
- Review of beyond climate-related information will be conducted during 2027 to 2029 (post-implementation review).

B. Effective Date

- A high-quality sustainability report will provide relevant sustainability information that reflects the actual facts, that is timely and comparable. The goal of preparing and implementing sustainability reports in accordance with the SPK which refer to ISSB Standards is to maintain national competitiveness in terms of sustainability aspect. This can be achieved if the effective date for the application of the SPK aligns with the implementation of the ISSB Standards in other countries. Malaysia and Singapore have mandated the requirement for sustainability reports based on ISSB Standards by 2025. Hong Kong has proposed full adoption of ISSB Standards by 2025. Several countries, including Australia, the European Union, and Turkey, have already implemented ISSB Standards since 2024.
- 31 The determination of the effective date for the SPK depends on the complexity of the standard's requirements and the condition of the sustainability reporting ecosystem. The SPK requires readiness in areas such as governance, strategy formulation, risk management, and the improvement of data inventory systems for preparing sustainability reports. The implementation of the SPK will require a sufficient sustainability reporting ecosystem, as outlined in the Appendix section.
- 32 The readiness of companies and the condition of the sustainability reporting ecosystem must be considered by regulators or authorities when determining the entities required to prepare sustainability reports, the obligation for assurance on sustainability reports, and the provision of sustainability data at the industry level for the preparation of sustainability reports.
- 33 There is a significant disparity in the size and maturity levels of companies in Indonesia regarding sustainability reporting. Larger and more established companies tend to have higher resources and preparedness, while smaller-scale companies face greater challenges.
- This situation indicates the need for significant time and effort to build the readiness for implementing the SPK, which should not be limited to entities alone but also involve regulators and the profession. A phased implementation of the SPK could be a more realistic approach to accommodate this disparity. Several other countries have adopted a phased implementation based on criteria such as company size, public accountability, or number of employees.

Based on these considerations, the effective date for the SPK is planned to be January 1, 2027, with an option for early application.

The SPK are planned to be effective on January 1, 2027, with an option for early adoption.

3.2 Sustainability Report Assurance

- A high-quality sustainability report must be audited or subjected to another form of assurance by an independent party. Currently, there is no obligation to conduct an audit of sustainability reports. Auditing of sustainability reports remains voluntary.
- The need to audit sustainability reports requires the establishment of audit standards, professional ethical guidelines for sustainability reporting, and regulations that cover audit obligations and the parties responsible for conducting the audit. This ensures that sustainability reports uphold a quality on par with audited financial statements.
- The audit of sustainability reports is intended to safeguard the interests of the public, including investors, creditors, and other financial stakeholders, while ensuring the integrity of the business sector and preserving national economic interests.
- The draft international audit standards for sustainability reports, along with professional ethical guidelines, state that audits should be performed by public accountants and other qualified practitioners (profession-agnostic). In some countries, such as Singapore, the regulations allow public accountants and other practitioners who registered by government bodies to audit sustainability reports.

3.3 Sustainability Report Ecosystem

- The effective implementation of the SPK with minimum risks is essential to maximize benefits for business activities and the national economy. This requires the establishment of a robust sustainability reporting ecosystem.
- The following are key elements that must be presented and continuously developed to build a strong and credible sustainability reporting ecosystem.
 - Standards. The existence of standards for preparing sustainability reports, including the SPK and assurance standards for sustainability reports. The SPK, which refer to ISSB Standards, serves as the foundation for preparing sustainability reports for general purposes. In addition to the SPK, there is a need for a simplified SPK to address the disparities in company readiness and size, similar to the SAK for private entities and micro, small, and medium-sized enterprises.
 - Regulations. The development and update of regulations concerning companies or entities required to prepare sustainability reports, the obligation for assurance, the professions authorized to provide assurance on these reports, and the data sources used as references in preparing the reports.

Competence and Capacity. The development of capacity and competence for the preparation, assurance, and oversight of sustainability reports, involving the preparers and professionals engaged in the process, assurance providers, and sustainability report supervisors.

The details of the parties involved and their roles in strengthening the sustainability reporting ecosystem are provided in the Appendix.

Currently, there are several sustainability initiatives from ministries and agencies that require coordination to avoid overlapping. In line with the mandate of the Sustainable Finance Committee, which involves coordinating the development and establishment of sustainable finance strategies, policies, and programs, the Committee is expected to play a key role in aligning these initiatives to ensure harmonized steps in the development of sustainable finance.

TRANSITION

- Considering that the Sustainable Finance Committee has not yet been established, IAI anticipates that the Financial Services Authority will continue to oversee the existing sustainability reporting framework and support the implementation of the SPK. In line with Financial Services Authority's plan to revise POJK 51/2017, this regulation could incorporate a reference to the SPK as the foundation for preparing sustainability reports.
- To ensure a transition and continuity in the implementation of the SPK process, prior to the establishment of the Sustainable Finance Committee, IAI proposes that members of the Sustainable Finance Committee and/or the relevant authorities consider provisions in the Government Regulation stipulating that sustainability reporting standards refer to those developed by the accounting profession association.

IV. APPENDIX

Strengthening the Sustainability Reporting Ecosystem

Tabel 1 outlines proposed roles of various stakeholders in strengthening Indonesia's sustainability disclosure ecosystem.

Table 1: Proposed Activities

N.	Barran dala Barria	Burney of Association Characteristics and a few sections of the Company of the Co
No	Responsible Parties	Proposed Agenda for Strengthening the Ecosystem
	mplementation Regulation of	
1.	Sustainable Finance Committee	Before the Sustainable Finance Committee is established, members of the committee and/or the relevant authorities consider provisions in the Government Regulation stipulating that sustainability reporting standards refer to those developed by the professional accounting association.
2.	Financial Services Authority	 a. Providing an endorsement statement for the use of the SPK developed by IAI while the rule-making rule is underway; b. Revising POJK 51/2017 to align with sustainability disclosure standards issued by the professional accountant association; c. Amending POJK 51/2017 concerning, but not limited to, the following aspects: Defining entities required to prepare sustainability reports based on the SPK; Timing of reporting; and Location of disclosure. d. Updating other regulations relevant to sustainability reporting; and e. Conducting relevant coordination to prepare implementation of sustainability reporting.
3.	Ministry of Finance	Updating regulations related to sustainability
4.	Bank Indonesia	reporting.
5.	Ministries, agencies, and/or relevant authorities	 a. Establishing regulations concerning sustainability reporting obligations for companies under its jurisdiction. b. Updating regulations relevant to sustainability reporting.

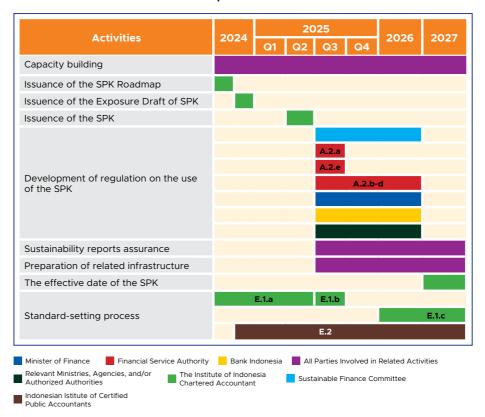
No	Responsible Parties	Proposed Agenda for Strengthening the Ecosystem
В.	Assurance	
1.	Sustainable Finance Committee	In accordance with the UU PPSK, establishing verification infrastructure for the green/sustainable criteria and standards of sustainable finance and/ or services. This is necessary to build investor confidence in products and/or services financing sustainable activities and transition financing issued by the PUSK.
2.	Financial Services Authority	Regulating the implementation of assurance on sustainability reporting, which includes: a. Determining the assurance requirements for companies under the supervision of the Financial Services Authority; b. Defining the scope of sustainability reporting must be subject to assurance; and c. Determining the level of assurance required for companies under the supervision of the Financial Services Authority.
3.	Ministry of Finance	Regulating the profession of assurance providers for sustainability disclosure information.
4.	Bank Indonesia	Regulating the implementation of assurance for
5.	Ministries, agencies, and/or relevant authorities	 sustainability reporting, which includes: a. Determining the assurance obligations for companies under its supervision; b. Defining the scope of sustainability reporting that requires assurance; and c. The level of assurance required for companies under its supervision.
C. !	Supporting Infrastructure Rela	ited
1.	Sustainable Finance Committee	In accordance with UU PPSK, establishing a database supporting infrastructure for the implementation of sustainable finance.
2.	Financial Services Authority	a. Providing educational materials, guidelines, and
3.	Ministry of Finance	other related tools (e.g., such as the Green Calculator issued by Bank Indonesia and the
4. 5.	Bank Indonesia Ministries, agencies, and/or relevant authorities	Climate Risk Management & Scenario Analysi Guidelines issued by the Financial Service Authority). b. Providing technical and detailed assistance; and c. Encouraging consensus on various reference assumptions and data.

No	Responsible Parties	Proposed Agenda for Strengthening the Ecosystem	
D. Capacity Building			
1.	Sustainable Finance Committee	In accordance UU PPSK, establishing a supporting infrastructure for the implementation of sustainable finance, which includes: a. Certification for individuals who assess and verify whether a product and/or financial service qualifies as a sustainable finance product or service. This will help build investor confidence in the results of these assessments and verifications. b. Providing knowledge about sustainable finance to existing professions (such as accountants, appraisers, and actuaries). The development of specialized professional skills related to sustainable financing products and/or services, as well as transition financing, should be considered by the Ministry of Finance, the Financial Services Authority, and Bank Indonesia.	
2.	The Institute of Indonesia Chartered Accountant	 a. Conducting socialization of the SPK to stakeholders, organized by the Sustainability Working Team of IAI (Tim Kerja Keberlanjutan/TKK IAI) and DSK IAI; b. Revising the Chartered Accountant syllabus and adjusting formal education curriculum towards sustainability practices; c. Conducting discussions with key stakeholders of sustainability reporting through the Indonesia Sustainability Reporting Forum; d. Developing certifications for expertise related to sustainability; and e. Monitoring and supporting the preparedness of companies in preparing sustainability disclosures. 	
3.	Ministry of Higher Education, Science, and Technology	Adjusting the curriculum in higher education to include sustainability topics.	
4.	Financial Services Authority	Enhancing the competencies of regulators with	
5.	Ministry of Finance	knowledge and expertise related to sustainability.	
6.	Bank Indonesia		
7.	Ministries, agencies, and/or relevant authorities		
8.	Other relevant professional associations	Providing assurance and supporting professions related to sustainability reporting need to receive continuous professional training on sustainability reporting.	

No	Responsible Parties	Proposed Agenda for Strengthening the Ecosystem
9.	Sustainability reporting companies	Developing competencies so that companies: a. Adjust governance to produce credible sustainability information. b. Integrate sustainability issues into governance, business models, strategies, and risk management.
E. :	Standard-setting	
1.	The Institute of Indonesia Chartered Accountant	 a. Preparing the SPK referring to ISSB Standards; b. Supporting coordination for the implementation of SPK conducted by the Financial Services Authority c. Developing SPK for private entities as well as micro, small, and medium enterprises.
2.	Indonesian Institute of Certified Public Accountants	Developing assurance standards for sustainability reporting.

Illustration 1 is a proposed timeline for strengthening the sustainability reporting ecosystem in Indonesia.

Part 1. Proposed Timeline





The Institute of Indonesia Chartered Accountants (IAI) is a professional accounting organization that represents accountants all over Indonesia. IAI was founded in December 23, 1957 in the spirit of Indonesian nationalism among accountants in the early post-independence period, with the objective of promoting the quality and advancement of the accounting profession in Indonesia.

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- Deny Poerhadiyanto
- 6 Harry Purwaka
- Isnaeni Achdiat
- 3 Jumadi

IAI Supervisory Board

- Prof. Mardiasmo
 Chair
- Prof. Ainun Na'im
- Jusuf Halim
- David E.S. Sidjabat
- **Awan Nurmawan Nuh** ex officio Ministry of Finance
- 6 Sophia Issabella Wattimena ex officio Financial Services Authority
- Akhsanul Khaq
 Has served since December 11, 2024,
 replacing Nawal Nely, whose term ended
 on November 19, 2024
- Prof. Lindawati Gani
- Prof. Mahfud Sholihin
- Maliki Heru Santosa
- 12 Prof. Nunuy Nur Afiah
- Rosita Uli Sinaga
- Selvia Vivi Devianti
- 15 Prof. Sidharta Utama
- Tia Adityasih

Ex Officio IAI Chair Compartment

- Prof. Dian Agustia
 Chair of Academic Accountants Compartment
- Hery Subowo
 Chair of Public Sector Accountants Compartment
- Prof. John L. Hutagaol
 Chair of Taxation Accountants Compartment
- M. Jusuf Wibisana
 Chair of Sharia Accountants Compartment
- 21 Susan Sutedjo
 Chair of Accounting Service Firm Accountants
 Compartment
- 22 I Gede Nyoman Yetna
 Chair of Professional Accountant in Business
 Compartment

Ex Officio Chair of Regional Office

Indonesian Sustainability Standards Oversight Board of IAI

- Rosita Uli Sinaga
 Chair,
 ex officio IAI National Council
- 2 Prof. Lindawati Gani ex officio IAI National Council
- 3 Jumadi ex officio IAI National Council
- 4 Adi Budiarso
 ex officio Ministry of Finance
- **5 Antonius Hari P.M.** ex officio Financial Services Authority
- 6 Saptadi Ex Officio Bank Indonesia (since November 19, 2024)
- **7 Laksmi Dhewanthi** ex officio Ministry of Environment
- Lucas Kurniawan
- 9 Nawal Nely (since November 19, 2024)

Indonesian Sustainability Standards Board of IAI

- 1 Istini T. Siddharta Chair
- 2 Agus Suparto
 ex officio Ministry of Finance
- 3 Arnita Rishanty ex officio Bank Indonesia (since November 19, 2024)
- 4 Heru Rahadyan ex officio Bank Indonesia (Term ended on November 19, 2024)
- 5 Jarot Suroyo
 ex officio Financial Services Authority
- **6 Wahyu Marjaka** ex officio Ministry of Environment
- Arie Pratama
- 8 Elvia R. Shauki
- Luthfyana Kartika Larasati
- n Palti Ferdrico T.H. Siahaan
- Prabandari I. Moerti
- 🔟 Rizkia Sari Yudawinata
- 13 Susanti
- Yuliana Sudjonno













WA Official IAI 🕏







