

**THE ANALYSIS AND IMPLEMENTATION OF PSAK 71 (IFRS 9):
FINANCIAL INSTRUMENTS AT PT X FOR THE YEAR 2019**

By

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

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PSAK 71 was issued by the Indonesian Accounting Standard Board (DSAK-IAI), as an adaptation of IFRS 9: Financial Instruments to replace the old accounting for financial instruments standard, PSAK 55 (IAS 39). The new accounting standard is implemented in Indonesia effective from January 2020. "PT X" is a private company in Indonesia that runs in heavy equipment industry and was chosen to be the research subject. This research is conducted to identify the financial impacts arised from PSAK 71 (IFRS 9) implementation towards Statement of Financial Position, Income Statement and Statement of Cash Flow of PT X in 2019 compared to the previous accounting standard PSAK 55 (IAS 39).

The result of this research shows that there is no significant impact towards PT X financial statements, specifically its Statement of Financial Position, Profit and Loss Statement, and Statement of Cash Flow.

Keywords: PSAK 71, IFRS 9, Accounting for Financial Instruments, Expected Credit Losses, Impairment, Financial Statements.



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DEDICATION

I dedicate this thesis work for myself, PT X and my fellow accountants who are currently struggling with the implementation of PSAK 71 (IFRS 9).

I feel you.



ACKNOWLEDGEMENTS

PRAISE THE LORD! I would like to thank God for his blessings and making it possible to me to overcome all the burdens and challenges. He provides, makes everything possible in His way and I can do all the things through Him who strengthens me (Philippians 4:13).

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It has to be said: coffee is the most valuable liquid asset.

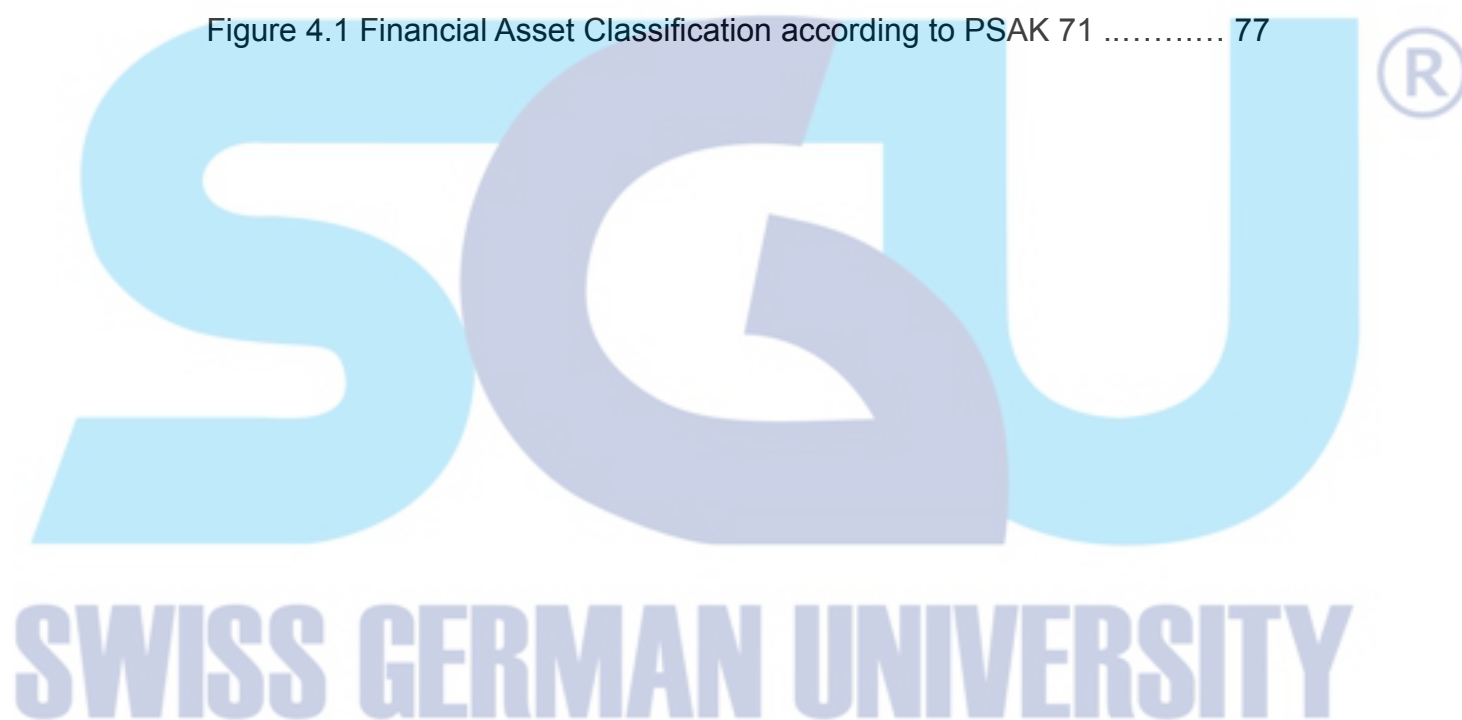
TABLE OF CONTENTS

STATEMENT BY THE AUTHOR	2
ABSTRACT	3
DEDICATION	6
ACKNOWLEDGEMENTS	7
CHAPTER 1	12
1.1 Backgrounds	12
1.2 Research Problems	16
1.3 Research Objectives	17
1.4 Research Questions	17
1.5 Scope and Limitation	18
1.6 Significance of Study	18
1.7 Thesis Structure	18
CHAPTER 2	20
2.1 Conceptual Framework	20
2.1.1 PSAK 71: “Instrumen Keuangan”	20
2.1.1.1 IFRS 9: Financial Instruments.....	21
2.1.1.2 Financial Instruments.....	22
2.1.2 Overview in Changes.....	24
2.1.2.1 Objective and Scope.....	26
2.1.2.2 Classification and Measurement.....	26
2.1.2.3 Impairment.....	31
2.1.2.4 Hedge Accounting.....	38
2.1.4 Heavy Equipment.....	39
2.1.5 Financial Reporting	40
2.1.5.1 Statement of Financial Position (Balance Sheet).....	41
2.1.5.2 Income Statement.....	44
2.1.5.3 Statement of Cash Flow.....	45
2.1.5.4 Statement of Changes in Equity	46
2.2 Previous Study and Publication	47
CHAPTER 3	60
3.1 Type of Study	60

3.2 Research Objects	60
3.3 Research Approach	60
3.4 Sampling Design	62
3.4.1 Population and Sample Target.....	62
3.5 Theoretical Framework	65
3.6 Data Analysis	66
3.6.1 Type of Data.....	66
3.6.2 Data Collection Method.....	66
3.6.3 Formula used	66
3.7 Research Model	68
3.8 Hypothesis	69
CHAPTER 4	70
4.1 Company Profile	70
4.2 Implementation of PSAK 71 (IFRS 9)	71
4.2.1 Preliminary Result.....	72
4.2.1.1 Scope Analysis.....	74
4.2.1.2 Gap Analysis	76
4.2.2 Financial Instrument Analysis	77
4.2.2.1 SPPI and Business Model Test.....	77
4.2.2.2 Impairment Modelling.....	84
4.2.2.3 2019 Financial Position Calculation and Disclosure	98
4.3 Hypothesis Test	101
4.3.1 Hypothesis 1	102
4.3.2 Hypothesis 2	105
4.3.3 Hypothesis 3	107
CHAPTER 5	110
5.1 Conclusion	110
5.2 Recommendations	113
GLOSSARY	116
APPENDIX	117
JOURNAL REFERENCES	128

LIST OF FIGURES

Figure 2.1 Financial Instruments measurement categories	31
Figure 3.1 Theoretical Framework	65
Figure 3.2 Academic Research Model	68
Figure 4.1 Financial Asset Classification according to PSAK 71	77



LIST OF TABLES

Table 2.1: Differences between PSAK 55 (IAS 39) and PSAK 71 (IFRS 9) .	25
Table 2.2 Comparison of PSAK 55 with PSAK 71	28
Table 2.3 Comparison of PSAK 55 (IAS 39) and PSAK 71 (IFRS 9)	33
Table 2.4: the approaches for Expected Credit Losses	36
Table 2.5 Three-bucket Model	40
Table 2.6 Previous study table.....	51
Table 3.1 Research variables	63
Table 3.2 Table Formula	67
Table 4.1 Summary of PSAK 71 (IFRS 9) tests	71
Table 4.2 PT X's financial assets classification based on PSAK 55	74
Table 4.3 SPPI Test of PT X's Financial Asset	78
Table 4.4 Business Model Test of PT X's Financial Asset	79
Table 4.5 Classification and Measurement on PT X's Financial Assets	81
Table 4.6 Impairment Modelling Steps	84
Table 4.7 Summary of PT X's Time Deposit ECLs	88
Table 4.8 Summary of PT X's Bonds ECLs	89
Table 4.9 Summary of PT X's Receivables of PT SS in (USD)	93
Table 4.10 Summary of PT X's Receivables of PT SS in (IDR)	96
Table 4.11 Provision for PT X's Financial Instruments	98
Table 4.12 Summary of Financial Impacts	101