



PRESIDENT
OF THE REPUBLIC OF INDONESIA

LAW OF THE REPUBLIC OF INDONESIA
NUMBER 5 YEAR 2011
ON
PUBLIC ACCOUNTANT

BY THE GRACE OF THE GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA

- Considering :
- a. that the national sustainable development requires national economy of which is healthy and efficient as well meet the principle of management of which is transparent and accountable to realize the justice and prosperous society in accordance with Pancasila and the Constitution of the State of the Republic of Indonesia;
 - b. that the service of public accountant is service required in the economic decision-making and greatly carry weight in globalization era of which has significant role in the national economy of which is healthy and efficient as well increasing transparence and the quality of financial information;
 - c. that so far the law of which is particularly set the profession of public accountant of which is provide the protection and legal certainty for the society and the profession of public accountant has not been available;

In view of : Article 5 Section (1) and Article 20 of the Constitution of the State of the Republic of Indonesia

With the joint approval of
THE HOUSE OF REPRESENTATIVE OF THE REPUBLIC OF INDONESIA
and

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

BE IT HEREBY RESOLVED,

To enact : LAW ON THE PUBLIC ACCOUNTANT

CHAPTER I

GENERAL PROVISION

Article 1

The following definitions shall be applied in this Law:

1. Public Accountant shall be persons who have obtained license to provide the service as set forth herein;
2. Foreign Public Accountant shall be foreign citizens who have obtained license to provide the service under the law of country origin of the Foreign Public Accountant in question to provide the service at least audit service on the information of financial history;
3. Association of Professional Public Accountant shall be the professional organization of Public Accountant of which is nationwide;



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4. Association of Professional Accountant shall be the professional organization of accountant of which is nationwide;
5. Office of Public Accountant, hereinafter referred to as KAP, shall be the business entities of which are established under the provisions of the law and regulation as well obtaining license under this Law;
6. Indonesian Audit Organization, hereinafter referred to as OAI, shall be Organization in Indonesia of which is the partnership network inter-KAP;
7. Office of Foreign Public Accountant, hereinafter referred to as KAPA, shall be the business entities who are established under the law of the country in which KAPA is domiciled and performing business activity at least audit service on the information of financial history;
8. Foreign Audit Organization, hereinafter referred to as OAA, shall be abroad organization of which is established under the law and regulation of the country of the concerned organization, whose the members are business entity of professional service that provide the service at least of audit service on the information of financial history;
9. Associated Party shall be the partner of KAP who does not sign the report of the provision of service, employees of the KAP who are involved in the provision of service, or other parties who are directly involved in the provision of service;
10. The Partner shall be the ally on the KAP of which is in the form of business alliance;
11. Professional Standard of the Public Accountant, hereinafter shorted as SPAP, shall be the guidance of which is set to be the measurement of quality of which must be complied by the public accountant during providing the services;
12. The Minister shall be minister whose duty and responsibility in the economic field.

Article 2

Service Area of the Public Accountant covers the entire territory of the Republic of Indonesia.

CHAPTER II
FIELD OF SERVICE

Part First
Type of Service

Article 3

- (1) The Public Account provides insurance service of which includes:
 - a. audit service on the information of historical financial;
 - b. review service on the information of historical financial;
 - c. other insurance services.
- (2) Insurance service as set forth in Section (1) above can only be provided by the Public Accountant.
- (3) Other than insurance service as mentioned in Section (1) above, the Public Accountant can also provide other services of which is related to the account, financial, management in accordance with the law and regulation.

Part Second
Limitation Provision of Service

Article 4

- (1) The provision of service by the Public Accountant and/ or KAP on the service of historical financial information of a client for the consecutive financial year could be limited in the certain period of time.
- (2) Provision on the limitation of the provision of audit service on the information of historical financial shall be set in the Government Regulation.



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CHAPTER III
LISENCING OF THE PUBLIC ACCOUNTANT

Part First

General

Article 5

- (1) License to be the Public Accountant is provided by the Minister.
- (2) License as mentioned in Section (1) above is valid for 5 (five) year since the enactment date and can be renewed.
- (3) In the event that the license validity of the Public Accountant has expired and does not obtain the renewal of license, the concerned person is not allowed to be the Public Accountant and shall be forbidden to provide the insurance service as set forth in the Article 3 section (1) above.

Part Second

Licensing to be the Public Accountant

Article 6

- (1) In order to obtain the License of Public Accountant as set forth in the Article 5 section (1) above, person shall meet the requirements as follow:
 - a. possessing the valid evidence of the pass of professional accountant examination;
 - b. experienced in the practice of providing the service as mentioned in Article 3;
 - c. having domicile in the territory of the Republic of Indonesia;
 - d. possessing Taxpayer Identity (NPWP);
 - e. never being subjected administrative penalty in the form of the license removal of the Public Accountant;
 - f. never being sentenced of which has been legally enforceable due to the criminal case of which is punishable with the imprisonment 5 (five) years or more;
 - g. being the member of the Professional Accountant Public of which is enacted by the Minister;
 - h. not been in a guardianship.
- (2) Further provisions regarding on the requirements and procedures of licensing as mentioned in section (1) above shall be set in the Minister Regulation.

Part Third

Licensing for the Foreign Public Accountant

Article 7

- (1) Foreign Public Accountant could propose license application of the Public Accountant to the Minister of Finance if the Mutual Recognition Agreement between the Government of Indonesia and the Government of the Country of the Foreign Public Accountant.
- (2) In order to obtain the license of Public Accountant, a Foreign Public Accountant shall meet requirements as follow:
 - a. having domicile in the territory of the Republic of Indonesia;
 - b. possessing Taxpayer Identity (NPWP);



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- c. never being subjected administrative penalty in the form of the license removal of the Public Accountant in the country of origin;
- d. never being criminally sentenced;
- e. not being in a guardianship;
- f. mastering bahasa Indonesia
- g. possessing knowledge of the taxation and commercial law of Indonesia
- h. experienced in practice of the insurance assignment of which is certified in the assessment result by the association of professional public accountant;
- i. being healthy in physically and mentally and it shall be certified by doctor in Indonesia;
- j. other provisions of which is in accordance with the mutual recognition agreement between the Government of Indonesia and the Government of the Country of the Foreign Public Accountant.

Part Fourth

Renewal of the License

Article 8

- (1) The license renewal of the Public Accountant shall be provided by the Minister.
- (2) For the purpose of license renewal of the Public Accountant, the Public Accountant shall propose the application in written to the Minister with the requirements as follow:
 - a. having domicile in the territory of the Republic of Indonesia;
 - b. being member of the Association of Professional Public Accountant of which is enacted by the Minister;
 - c. not being in a guardianship;
 - d. maintaining the competence through the sustainable professional training.
- (3) Public Accountant shall propose the proposal of license renewal of Public Accountant at least within 60 (sixty) days prior to the validity period of 5 (five) year as mentioned in Article 5 section (2) above expires.
- (4) Public Accountant as set forth in section (3) above could propose the proposal of license renewal of Public Accountant up to the validity period expires with being subjected to the administrative penalty in the form of fine.
- (5) The Minister shall issue the license renewal of Public Accountant at least within 30 (thirty) days after:
 - a. requirements as set forth in section (2) are stated complete; or
 - b. requirements as set forth in section 92) are stated complete and administrative penalty in the form of fine has been paid for the Public Account who is late in proposing the license renewal as set forth in section (4).
- (6) In the event that the Minster does not issue the license renewal of the Public Accountant within 30 (thirty) days as set forth in section (5) above, the license of Public Accountant is stated has been renewed.
- (7) Public Accountant who does not propose the application of license renewal after 5 (five) years as set forth in Article 5 section (2) could propose the new license application through fulfilling the provisions as set forth in Article 6 section (1) or Article 7 section (2).
- (8) Further provisions regarding to the requirements and procedures of the license renewal of Public Accountant shall be set with the Minister Regulation.

Part Fifth

Cessation of Insurance Service, for the Temporary Period, Resignation, Invalidity of License

Article 9



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- (1) Public Accountant could propose the application of the Cessation of Insurance Service as set forth in Article 3 section (1) for the temporary period.
- (2) The approval on such mentioned above application shall be granted by the Minister.
- (3) Period of Cessation of Insurance Service for the temporary period as set forth in section (1) could be granted for the period no longer than the end validity of the license.
- (4) During the period of cessation of insurance service, the Public Accountant shall be forbidden to provide insurance service as set forth in Article 3 section (1).
- (5) Further provisions regarding to the requirements and procedures of the cessation of Insurance service shall be set with the Minister of Finance.

Article 10

- (1) Public Accountant could propose the application for the resignation as Public Accountant.
- (2) Approval for application mentioned in section (1) above shall be granted by the Minister.
- (3) Public Accountant of which has resigned as set forth in section (1) above could re-apply for the license of Public Accountant after 1 (one) year since the approval date of resignation.
- (4) Requirements of the application for the re-application of the license of Public Accountant as set forth in section (3) subject to the provision as set forth in Article 6 section (1) and Article 7 section (2).
- (5) Further provisions regarding to the requirements and procedures of the resignation as set forth in section (1) above shall be set in Government Regulation.

Article 11

- (1) License of the Public Accountant shall be invalid in the event that:
 - a. Public Accountant passed away; or
 - b. license of Public Accountant does not be renewed.
- (2) License of the Public Accountant could be removed in the event that:
 - a. proposing the proposal of resignation;
 - b. being subjected to the administrative penalty in the form of license removal;
 - c. being sentenced of which has been legally enforceable due to the criminal case of which is punishable with imprisonment 5 (five) years or more;
 - d. being sentenced of which has been legally enforceable under this Law;
 - e. being in a guardianship;
 - f. submitting fake document or document being faked or untrue statement when proposing the application of the license of Public Accountant.

CHAPTER IV
OFFICE OF PUBLIC ACCOUNTANT

Part First
Form of the Business

Article 12

- (1) Form of business of the KAP could be:
 - a. individual;
 - b. civil partnership;
 - c. firm; or



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- d. other business forms of which is matching to the characteristic of the profession of Public Accountant of which is set forth in the Law.
- (2) The Minister could determine the other business form as set forth in section (1) point d above as the business form of KAP.

Part Second
Establishment and Management

Article 13

- (1) KAP of which is in the form of individual business as set forth in Article 12 section (1) point a, shall only be allowed to be established and managed by 1 (one) the Indonesia Citizen Public Accountant.
- (2) KAP of which is in the form of business as set forth in Article 12 section (1) point b, point c, and point d shall only be allowed to be established and managed by 2/3 (two-thirds) of the all partners of which are the Public Accountant.
- (3) KAP as set forth in the section (2) above can only be directed by the Indonesia Citizen Public Accountant of which is Partner on the concerned KAP and having domicile in accordance with the domicile of the KAP.
- (4) In the event that there are Partners who are foreign citizen in the KAP, the number of foreign Partner in the KAP who are foreign citizen no more than 1/5 (one-fifths) of the overall Partners of KAP.

Part Third
Non-Public Accountant Partner

Article 14

- (1) Anyone who intends to be the Non-Public Accountant Partner shall be obliged to register to the Minister.
- (2) Registration as set forth in section (1) above shall be performed in written with the requirements as follow:
- a. possessing degree at least Bachelor Degree (S-1) or the equal;
 - b. experienced at least 5 (five) years in the field of skill of which is supported Public Accountant profession;
 - c. having domicile in the territory of the Republic of Indonesia;
 - d. possessing Taxpayer Identity (NPWP);
 - e. having been take part in the training of professional ethics of the Public Accountant of which is organized by the Association of Public Accountant Profession; and
 - f. never being sentenced of which is legally enforceable due to criminal case of which is punishable with imprisonment 5 (five) years or more.
- (3) Further provisions regarding to the requirements and procedures of being the Non-Public Accountant Partner as set forth in section (1) above shall be set with the Minister Regulation.

Article 15

Non-Public Accountant Partner shall be forbidden to perform actions as follow:

- a. being the Partner of 2 (double) KAP or more;
- b. concurrently as:
 1. state officer;
 2. director or employee on the government institution, state institution, or other institutions that are established using law and regulation; and
 3. other position that resulted conflict of interest.
- c. signing and issuing the report service provision result through KAP.



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Article 16

- (1) The Minister cancels the status “Registered” of the Non-Public Accountant Partner in the event that:
 - a. not being domiciled in the territory of the Republic of Indonesia anymore;
 - b. being sentenced criminal sentence of which has permanent legal force due to criminal case of which is punishable with 5 (five) years imprisonment or more;
 - c. being Partner on 2 (double) KAP or more;
 - d. concurrently as:
 1. state officer;
 2. director or employee on the government institution, state institution, or other institutions that are established using law and regulation; and
 3. other position that resulted conflict of interest.
 - e. being sentenced with the criminal sentence of which has been legally enforceable due to the violation of this Law; or
 - f. signing and issuing the report of service provision through KAP.
- (2) Non-Public Accountant Partner whose status registered is cancelled by the Minister shall not be allowed to re-register in the event that:
 - a. being sentenced with the criminal sentence of which has had permanent legal force due to the criminal case that is punishable with 5 (five) year imprisonment or more;
 - b. sentenced with the criminal sentence of which has had permanent legal force due to the violation of this Law; or
 - c. signing and issuing the report of service provision as set forth in section (1) point f above.

Part Fourth

Foreign Professional Employees

Article 17

- (1) KAP of which is employed foreign professional employee must be in accordance with the provisions of law and regulation of the field of manpower.
- (2) Composition of foreign professional employee to be employed in KAP must be no more than 1/10 (one tenth) from all professional employees for each level of position on the concerned KAP.

Part Fifth

Business License

Article 18

- (1) Business license of KAP is granted by the Minister.
- (2) The requirements to obtain business license as set forth in section (1) above shall be as follow:
 - a. having office or place to implement business activity of which is domiciled in the territory of the Republic of Indonesia;
 - b. having Entity Taxpayer Identity for the KAP whose business form is in the form of civil partnership and firm or Personal Taxpayer Identity for KAP whose business form is in the form of individual business;
 - c. having at least 2 (two) professional audit employees in the field of accountancy;
 - d. having the system of quality control plan;
 - e. making written statement and affixed with appropriate stamp for the personal business, by including at least:
 1. address of the Public Accountant;
 2. name and domicile of the office;
 3. purpose and objective the establishment of the office.



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- f. having deed of establishment of which is made and signed before the notary for business form as set forth in Article 12 section (1) point b, point c, point d, by including at least:
1. name of the Partner;
 2. address of the Partner;
 3. business form;
 4. name and domicile of the business;
 5. purpose and objective of the establishment of the office;
 6. rights and responsibilities of the Partner; and
 7. dispute settlement in the event the dispute among Partners is occurred.
- (3) Further provisions regarding on the requirements and procedures of the license as set forth in section (2) above shall be set with the Minister Regulation.

Part Sixth

Establishment of the Branch Office of Public Accountant

Article 19

- (1) Branch office of KAP shall only be allowed to be managed by the KAP whose business form is as set forth in Article 12 section (1) point b, point c, or point d.
- (2) Branch office of KAP as set forth in section (1) above shall be managed by an Indonesian Citizen Public Accountant of which is a Partner of the concerned KAP and having domiciled in accordance with the domicile of the concerned KAP.
- (3) Head of KAP branch office shall not be concurrent by:
 - a. the other head of branch office of the concerned KAP; or
 - b. the chairman of the concerned KAP.

Part Seventh

License for the Establishment of the Branch Office of Public Accountant

Article 20

- (1) Establishment license for the branch office of KAP is granted by the Minister.
- (2) The requirements to obtain establishment license for the branch office of KAP as set forth in section (1) above shall be as follow:
 - a. having office or place to implement branch office business activity whose domicile is in the territory of the Republic of Indonesia;
 - b. having Entity Taxpayer Identity of KAP branch office;
 - c. having at least 2 (two) professional audit employees in the field of accountancy; and
 - d. making written agreement with all Partners regarding on the establishment of KAP branch office of which is authorized by the notary.
- (3) Further provisions regarding on the requirements and procedures of license as set forth in section (2) shall be set by Minister Regulation.

Part Eighth

Revocation and the Invalidity of Business License of the Public Accountant

Article 21

- (1) Business license of KAP shall be revoked in the event that:
 - a. the chairman of KAP is apply for the revocation of the Business license of KAP;
 - b. KAP is subjected to administrative penalty in the form of the revocation of business license;



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- c. business license of the Public Accountant of KAP whose business form is individual business is revoked;
 - d. license of all Public Accountant Partners are revoked;
 - e. domicile of the KAP is changed; or
 - f. there are fake documents or being faked document or untrue information of which has been submitted when applying for the application of the business license of KAP.
- (2) Business license of KAP shall be stated invalid in the event that:
- a. license of Public Accountant for KAP whose business form is individual business is stated invalid; or
 - b. license of all Public Accountant Partners of the KAP are stated invalid.
- (3) Further provisions regarding on the requirements and procedures of revocation of business license of KAP as set forth in section (1) point a, shall be set by the Minister Regulation.

Part Ninth

Revocation and the Invalidity of Establishment License of the Branch of Public Accountant Office

Article 22

- (1) The establishment license of KAP branch office shall be revoked in the event that:
- a. business license of KAP is revoked;
 - b. head of branch office of KAP is unavailable during 180 (one hundred and eighty) days;
 - c. head of branch office of KAP applies for the revocation of the establishment license of the branch office of KAP;
 - d. branch office of KAP is subjected to the administrative penalty in the form of revocation of establishment license of KAP branch office;
 - e. domicile of the KAP changes; or
 - f. there is fake document or being faked document or untrue information that had been submitted when apply for the application of establishment license of the branch office of KAP.
- (2) Establishment license of KAP branch office shall be stated invalid in the event that business license of KAP is invalid.
- (3) Further provisions regarding on the requirements and procedures of the revocation of the business license of KAP branch office and the invalidity of the license of KAP branch office shall be set with the Minister Regulation

Article 23

Further provisions regarding on the determination of the domicile of Public Accountant and KAP as set forth in this Law shall be set with the Minister Regulation.

CHAPTER V

RIGHTS, OBLIGATIONS, AND PROHIBITIONS

Part First

The Rights of Public Accountant

Article 24

The Public Accountant shall be entitled for:

- a. achieving honorarium for the service;
- b. obtaining legal protection as long as has provided the services in accordance with SPAP; and
- c. obtaining data, information and other documents related to the provision of service in accordance with the rule and regulation.



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Part Second

The Obligation of Public Accountant and Public Accountant Office

Article 25

- (1) The Public Accountant shall be obliged to:
 - a. joint to the Association of Professional Public Accountant of which is set by the Minister.
 - b. domicile in the territory of the Republic of Indonesia for the Public Accountant who become the chairman of KAP or the head of KAP branch office shall be obliged being domiciled in accordance with the domicile of KAP or the concerned KAP branch office;
 - c. establish or become the Partner on KAP within the period of 180 (one hundred and eighty) days since the concerned Public Accountant license is issued or since the date of resignation from a KAP;
 - d. report in written to the Minister within the period of 30 (thirty) days since:
 1. becoming a Partner on a KAP;
 2. resigning from a KAP; or
 3. concurrent position that are not prohibited under this Law;
 - e. maintain the competence through the sustainability professional training; and
 - f. well behaved, honest, responsible and have high integrity.
- (2) During providing the services, the Public Accountant shall be obliged to:
 - a. through KAP;
 - b. comply with and implement SPAP and professional ethics code, as well rule and regulation in accordance with the provided services;
 - c. make working paper and be responsible to the working paper;
- (3) Provisions regarding on the requirements and procedures of report as set forth in section (1) point d and the sustainable professional training as set forth in section (1) point e shall be set with the Minister Regulation.

Article 26

Public Accountant shall be responsible for the provided services.

Article 27

- (1) KAP or KAP branch office shall be obliged to:
 - a. have 2 (two) professional audit employees in the field of accountancy;
 - b. have office or place to perform the business;
 - c. have and implement the system of Quality Control;
 - d. install the complete name of the office at the front side of the office.
- (2) KAP of which have the foreign citizen Partner and/ or foreign citizen employee shall be obliged to assign the said Partner and/ or employee to arrange and implement the professional development program of public accountant and/ or education of accountancy for free.
- (3) KAP shall be obliged to report correctly and completely to the Minister no later than on each end of April regarding on:
 - a. business activity and financial report for the previous calendar year; and
 - b. program and realization of the annual program of the professional development of public accountant and/ or education of accountancy for the KAP as set forth in section (2).
- (4) KAP shall be obliged report in written to the Minister regarding on:
 - a. the change structure of Partners;
 - b. the change of the chairman of KAP/ or head of KAP branch office;
 - c. the change domicile of the chairman of KAP/ or head of KAP branch office;
 - d. the change address of KAP;



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- e. the end of partnership with KAPA or OAA;
 - f. the revocation of the license of KAPA that in partnership with KAP by the authority of country origin of KAPA; or
 - g. the dissolution of OAA that in partnership with KAP.
- (5) Provisions regarding on the requirements and procedures of the report as set forth in the section (3) and section (4) shall be set with the Minister Regulation.

Article 28

- (1) During the provision of service of insurance as set forth in Article 3 section (1), the Public Accountant shall be obliged to maintain the integrity and fully free from conflict of interest.
- (2) Conflict of Interest as set forth in section (1) above, including such as, in the event that:
 - a. Public Accountant or the Associated Party has financial interest or has significant control to the client or obtain financial benefit from the client;
 - b. Public Accountant or the Associated Party has family relation with the directors, officials, or person who has key position in financial field/ or accountancy on the client; and/ or
 - c. Public Accountant provides the service as set forth in Article 3 section (1) or other services as set forth in Article 3 section (3) within the same period or for the same accounting year.
- (3) Further provisions regarding on the conflict of interest as set forth in section (2) above shall be set with the Minister after consulting with the Professional Public Accountant Committee.

Article 29

- (1) Public Accountant and/ or Associated Party shall be obliged to maintain confidentiality of information obtained from the client.
- (2) Obligation as set forth in section (1) above shall be excluded in the event that it is used for the purpose of the supervision by the Minister.
- (3) The Minister shall be obliged to maintain the confidentiality of information obtained from the Public Accountant and/ or the Associated Parties as set forth in section (2) in accordance with the provision of rule and regulation.

Part Third

Prohibition for the Public Accountant

Article 30

- (1) Public Accountant shall be prohibited to:
 - a. have or become the Partner of more than 1 (one) KAP;
 - b. be concurrently as:
 - 1. state officer;
 - 2. director or employee of the government institution, state institution, or other institutions of which is established with the rule and regulation;
 - 3. other position of which resulted conflict of interest.
 - c. provide the service as set forth in Article 3 section (1), for the type of service on the same period of time of which has been performed by other Public Accountant, except to implement the provisions of the rule and regulation and implementation regulation;
 - d. provides service as set forth in Article 3 section (1) and section (3) during license suspension;
 - e. provide service as set forth in Article 3 section (1) and section (3) through KAP of which is being subjected to administrative penalty in the form of license suspension;



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- f. provide service other than the services as set forth in Article 3 section (1) and section (3) through KAP;
 - g. perform action(s) of which result working paper and/ or other document of which is related to the provision of service as set forth in Article 3 section (1) cannot be used properly;
 - h. receive conditional honorarium for service;
 - i. receive and/ or give commissions; or
 - j. commit manipulation and/ or help to commit manipulation, and/ or fakes the data related to the service provided.
- (2) Prohibition on the concurrent position as set forth in section (1) point b shall be excluded for the Public Accountant who a concurrently position as director or employee on the educational institution of accountancy and institution of which is established with the law to perform the duty and responsibility for the profession interest of accountancy.

Article 31

- (1) KAP shall be prohibited:
- a. to perform partnership with KAPA or OAA that has been in partnership with other KAP;
 - b. to include the name of KAPA or OAA whose status 'registered' of such KAPA or OAA on the Minister is suspended or cancelled;
 - c. to have Non-Public Accountant Partner who are not registered on the Minister;
 - d. to open office in the other form, other than the in form of branch office; and
 - e. to make the misleading advertisement.

Public Accountant and/ or KAP shall be prohibited to employ and or to use the service of the Associated Party of which is listed in the list of disgraceful persons in the providing of services as set forth in Article 3 section (1) and section (3).

CHAPTER VI

THE NAME UTILIZATION OF PUBLIC ACCOUNTANT

Article 32

- (1) KAP of which is individual business shall use the name of Public Accountant who establish and manage such KAP;
- (2) KAP whose business form is as set forth in Article 12 section (1) point b, point c, and point d, must use the name one or several of Public Accountants of which is the Partner on such KAP;
- (3) Further provisions regarding on the utilization of name shall be set in the Ministry Regulation after obtaining the consideration from the Association of Professional Public Accountant.

CHAPTER VII

THE PARTNERSHIP OF PUBLIC ACCOUNTANT OFFICE

Part First

The Partnership Inter-Public Accountant Office

Article 33

- (1) KAP could cooperate with other KAP to establish a network called OAI.



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- (2) The establishment of OAI as set forth in section (1) above must be included in a deed of establishment of which is made by and before the notary, in bahasa Indonesia and at least including matters as follow:
 - a. the objectives of OAI that includes the development of insurance service methodology and quality control system;
 - b. rights and obligation of the KAP of which become the member of OAI;
 - c. education and training programs for the member of OAI; and
 - d. the establishment of OAI shall be sustainable in nature.

OAI as set forth in section (1) must be registered to the Minister through proposing written application and deed of establishment by including name of the KAI of which becomes the member.

- (3) The Minister cancels the status 'registered' of OAI as set forth in section (1) above in the event that the OAI disband.
- (4) Provisions regarding on the registration procedures and the cancellation of registered status of OAI shall be set in the Minister Regulation.

Article 34

- (1) KAP of which becomes the member of OAI as set forth in Article 33 section (2) could include the name of OAI along with the name OAI.
- (2) KAP of which becomes the member of OAI as set forth in section (1) above could provide the service collectively.
- (3) KAP shall be prohibited to include more than 1 (one) name of OAI.
- (4) Further provision regarding on the procedure of including of the name of OAI shall be set in the Minister Regulation.

Part Second

The Partnership between Public Accountant Office and Foreign Public Accountant
Office or Foreign Audit Organization

Article 35

- (1) KAP could cooperate with the KAPA or OAA.
- (2) KAP of which cooperate with the KAPA or OAA as set forth in section (1) above could include the name of KAPA or OAA collectively with the name of KAP after obtain the approval of the Minister.
- (3) Partnership between KAP and KAPA or OAA as set forth in section (2) above must be included in a partnership agreement of which is made by and before the notary in bahasa Indonesia of which includes at least matters as follow:
 - a. field of audit service on the financial history;
 - b. utilization of the mutually agreed methodology by the KAPA or OAA and KAP;
 - c. the portion of responsibility of the KAPA or OAA; and
 - d. the partnership is sustainable in nature.
- (4) Approval of the Minister as set forth in section (2) above shall be granted after the KAP proposing written application to the Minister in condition:
 - a. KAPA or OAA has been registered at the Minister; and
 - b. KAPA or OAA is not being in cooperation with other KAP.
- (5) The inclusion of name by KAP as set forth in section (2) above shall only be allowed with 1 name of KAPA or OAA.
- (6) KAPA or OAA whose name has been included by KAP as set forth section (5) above shall not be included by the other KAP.

Article 36

- (1) The Minister revokes the approval of inclusion name of KAPA or OAA in the event that:



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- a. the partnership between KAP and KAPA or OAA is end;
 - b. the status registered of KAPA or OAA is suspended; or
 - c. the status registered of KAPA or OAA is canceled.
- (2) In the event that the approval of the inclusion name of KAPA or OAA is revoked due to the status registered of KAPA or OAA as set forth in section (1) point a , and point b, KAP could re-submit for the proposal of inclusion name of KAPA or OAA as set forth in Article 35.

Article 37

Further provision regarding on the inclusion name of KAPA or OAA, partnership agreement, and the approval of inclusion name, the submission of application, and the approval of name inclusion of KAPA or OAA as set forth in Article 35 and Article 36 shall be set in the Minister Regulation.

Part Third

Registration, Suspension, and Cancellation of Registered Status of the Foreign Public Accountant and Foreign Audit Organization

Article 38

- (1) KAPA whose name will be included with the name of KAP must propose the application of registration to the Minister with the requirements as follow:
 - a. having valid business license from the country origin of KAPA;
 - b. not being subject to the administrative penalty in the form of license suspension from the county origin of the KAP; and
 - c. having been undergone the quality review of which is conducted by the regulator and/ or professional association from the country origin of the KAPA.
- (2) OAA whose name will be included with the name of KAP must propose application of registration to the Minister with the requirements as follow:
 - a. having competence in accountancy;
 - b. being registered in a country;
 - c. having member of KAPA;
 - d. having training program;
 - e. having standard of review quality.
- (3) Further provision regarding on the requirements and registration procedures as set forth in section (1) and section (2) shall be set in the Minister Regulation.

Article 39

- (1) The Minister cancels status registered of the KAPA as set forth article 38 section (1) in the event that:
 - a. business license of the concerned KAPA is suspended in the country origin of KAPA; or
 - b. KAP of which cooperate with KAPA is subject to administrative penalty in the form of license suspension.
- (2) The Minister suspends the status registered of OAA in the event that KAP in cooperation with OAA is subject to administrative penalty in the form of license suspension.

Article 40

- (1) The Minister cancels the status registered of the KAPA as set forth in Article 38 section (1) in the event that:
 - a. the performed partnership is not include field of audit service on the information of financial history;



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- b. KAPA does not perform the partnership in sustainable;
 - c. business license of the KAPA is revoked in the country origin of KAPA;
 - d. KAP of which is in cooperation with KAPA is subject to administrative penalty in the form of revocation of license; or
 - e. KAPA performs partnership with the other KAP.
- (2) The Minister cancels the status registered of OAA as set forth in Article 38 section (2) in the event that:
- a. the performed partnership is not include field of audit service on the information of financial history;
 - b. OAA does not perform the partnership in sustainable;
 - c. business license of the OAA is revoked in the country origin of OAA;
 - d. KAP of which is in cooperation with OAA is subject to administrative penalty in the form of revocation of license; or
 - e. OAA performs partnership with the other KAP.
- (3) KAPA or OAA whose status registered at the Minister is canceled could not submit the application of registration anymore.

CHAPTER VIII
COST OF LICENSING

Article 41

- (1) The cost is charged to:
- a. obtain license of the Public Accountant;
 - b. renew the license of Public Accountant;
 - c. obtain the business license of KAP;
 - d. obtain the KAP branch office establishment license;
 - e. obtain the approval for inclusion name of KAPA or OAA along with KAP; and
 - f. obtain the approval registration of KAPA or OAA.
- (2) Further provision regarding on the cost as set forth in section (1) shall be set in the Government Regulation.

Article 42

The revenue of the cost as set forth in Article 40 section (1) shall be the Non-Tax State Revenue.

CHAPTER IX
ASSOCIATION OF THE PROFESSIONAL PUBLIC ACCOUNTANT

Article 43

- (1) Public Accountant joined to the Association of Public Accountant.
- (2) The Minister assigns only 1 (one) Association of Professional Public Accountant to implement the authority in accordance with the provision of law and regulation.
- (3) Association of Professional Public Accountant as set forth in section (2) shall meet criteria as follow:
- a. in the form of legal entity in accordance with the provision of law and regulation;
 - b. having member at least 2/3 (two-third) from all Public Accountants;



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- c. having article of association;
 - d. having structure of the official of which has been authorized by the meeting of members;
 - e. having program on the sustainable professional training;
 - f. having ethics code of organization; and
 - g. having quality review program for the Public Accountant who becomes the member.
- (4) Association of Professional Public Accountant as set forth in section (2) shall be enacted with the Decree of Minister.

Article 44

- (1) Association of Professional Public Accountant as set forth in Article 43 section (2) authorize to:
 - a. arrange and enact SPAP;
 - b. conduct the examination of professional public accountant;
 - c. conduct the sustainable professional education; and
 - d. conduct the quality review for the members.
- (2) Further provisions regarding to the arrangement and enactment of SPAP, implementation of the professional public accountant examination, and sustainable professional education as set forth in section (1) above shall be set in the Government Regulation.

CHAPTER X

PROFESSIONAL PUBLIC ACCOUNTANT COMMITTEE

Article 45

- (1) The Minister forms Professional Public Accountant Committee.
- (2) The members of Professional Public Accountant Committee as set forth in section (1) above shall be 13 (thirteen) persons of which consists of elements as follow:
 - a. The Ministry of Finance;
 - b. Association of Professional Public Accountant;
 - c. Association of Professional Accountant;
 - d. The Audit Board of the Republic of Indonesia;
 - e. capital market authority;
 - f. banking authority;
 - g. accounting academics;
 - h. service user of public accountant;
 - i. Ministry of National Education;
 - j. The Financial Accounting Standard Council;
 - k. The Sharia Accounting Standard Council;
 - l. SPAP Council; and
 - m. The Government Accounting Standard Council.
- (3) Members of the Professional Accounting Committee as set forth in section (2) above shall be appointed by the Minister for the period of 3 (three) years and could be renewed for the next 1 (one) period.
- (4) Membership of the Professional Accounting Committee as set forth in section (2) above shall be collegial in nature.

Article 46

- (1) The President of Professional Public Accountant Committee shall be appointed from the element of government and the Vice-President shall be appointed from the element of Association of Professional Public Accountant.



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- (2) The Professional Public Accountant Committee assigns to provide consideration regarding on:
 - a. the policy on empowerment, founding, and supervision to the Public Accountant and KAP;
 - b. the arrangement of standard accounting and SPAP; and
 - c. other matters required in connection with the Professional Public Accountant.
- (3) Other than providing the consideration as set forth in section (2) above, the Professional Public Accountant Committee also functions as appeal institution on the investigation result and administrative penalty of which is set by the Minister on the Public Accountant and KAP.
- (4) The decision of the Professional Public Accountant Committee as set forth in section (3) shall be final and binding.
- (5) The procedures on appeal proceeding shall be set by the Professional Public Accountant Committee.

Article 47

For the purpose of supporting the implementation of assignment as set forth in Article 46 section (2) and section (3), the Professional Public Accountant Committee shall be assisted by the Secretariat.

Article 48

Further provisions regarding on the establishment, membership of the elements, as well the working procedures of the Professional Public Accountant Committee and the secretariat of Professional Public Accountant Committee shall be set in the Government Regulation.

CHAPTER XI
GUIDANCE AND SUPERVISION

Part First

General

Article 49

The Minister authorizes to perform guidance and supervision to the Public Accountant, KAP, and KAP branch office.

Part Second

Guidance

Article 50

- In performing the guidance as set forth in Article 49 above, the Minister authorizes to:
- a. enact the regulations or decree in connection with the guidance of Public Accountant, KAP, and KAP branch office;
 - b. Enact the policies on the SPAP, Professional Public Accountant examination, and sustainable professional education.
 - c. perform the required action(s) of which is related to:



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1. SPAP;
2. the implementation of Professional Accountant Examination; and
3. the sustainable professional education.

Part Third
Supervision
Article 51

- (1) During performing the supervision, the Minister performs audit to the Public Accountant, KAP, and/ or KAP branch office.
- (2) The Minister could appoint the other party for and on behalf of the Minister to perform audit as set forth in section (1) above.
- (3) During performing the investigation as set forth in section (1) above, the Minister authorizes to:
 - a. request for the explanation, information, and/ or documents to the Associated Party; and
 - b. request for the explanation, information, and/ or documents to the professional association.
- (4) Public Accountant, KAP, and/ or KAP branch office shall be prohibited to refuse or avoid the audit and to hamper the smoothness of the audit.
- (5) Public Accountant, KAP, and/ or KAP branch office of which is audited shall be obliged to lend working paper, report and other documents as well provide the required information includes the working paper related to the deposit customer and its deposit in the bank.
- (6) The audit as set forth in section (1), section (2), section (3), section (4), and section (5) shall only be conducted for the purpose of obtaining the confidence on the obedience of the Public Accountant, KAP, and KAP branch office to this Law and its implementing regulations, as well the SPAP.
- (7) The assigned Auditor by the Minister shall be obliged to maintain the confidentiality of information of which is obtained from the audited Public Accountant.
- (8) Further provision regarding on the procedures of supervision to the Public Accountant, KAP, and KAP branch office shall be set in the Minister Regulation.

Article 52

- (1) The Minister includes the Associated Party into the list of disgraceful persons, in the event that the Associated Party:
 - a. refusing to provide explanation and/ or providing fake information and/ or document or being faked documents during the audit as set forth in Article 51 section (3) above;
 - b. violating the provision as set forth in Article 29 section (1) above;
 - c. being subject to criminal sentence due to the violation of this Law; or
 - d. being punished with criminal sentence of which has had permanent legal force due to commit the criminal case of which is punishable with imprisonment for 5 (five) years or more.
- (2) Further provision regarding on the procedures of inclusion the Associated Party into the list of disgraceful persons shall be set with the Minister Regulation.



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CHAPTER XII
ADMINISTRATIVE PENALTY

Article 53

- (1) The Minister authorized to impose administrative penalty to the Public Accountant, KAP, and/ or KAP branch office due to the violation of administrative provisions.
- (2) The violation of the administrative provisions as set forth in section (1) above shall be the violation to the Article 4, Article 8 section (4), Article 9 section (4), Article 13, Article 17, Article 19, Article 28 section (1), Article 29 section (1), Article 30 section (1), Article 31, Article 32, Article 34 section (3) and section (4), Article 35 section (5) and section (6), Article 51 section (4) and section (5).
- (3) Administrative penalty as set forth in section (1) above shall be in the form of:
 - a. recommendation to perform certain obligation;
 - b. written warning;
 - c. limitation the provision of service to the certain type of entity;
 - d. limitation the provision of certain service;
 - e. license suspension;
 - f. revocation of license; and/ or
 - g. fine
- (4) Fine as set forth in section (3) point g could be imposed separately or collectively with the imposition of other administrative penalties.
- (5) Further provisions regarding on the procedures imposition of administrative penalty and the amount of the fine shall be set in the Government Regulation.

Article 54

The revenue of fine as set forth in Article 53 section (3) point g and section (4) shall be the Non-Tax State Revenue.

CHAPTER XIII
CRIMINAL PROVISION

Article 55

The Public Accountant:

- a. who commits manipulation, helping for the manipulation, and/ or faking the data related to the service provided as set forth in Article 30 section (1) point j; or
- b. who deliberately commits manipulation, faking, and/ or omitting the data or record of the working paper or does not make working paper of which is related to service provided as set forth in Article 3 section (1) above, as of it could not be used properly during the audit by the authorized party shall be subject to sentence of imprisonment no longer than 5 (five) years and fine no more than Rp. 300.000.000, 00 (three hundred million rupiah).

Article 56

The Associated Party who commits the action as set forth in Article 55 shall be subject to sentence of imprisonment no longer than 5 (five) years and fine no more than Rp300.000.000, 00 (three hundred million rupiah).

Article 57

- (1) Anyone who submitting untrue statement and/ or submitting fake documents or being faked document for the purpose of obtaining or the renewal of Public



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Accountant license as set forth in Article 6 section (1), Article 7 section (2), or Article 8 section (2) and/ or for the purpose of obtaining the business license of KAP or the establishment license of KAP branch office as set forth in Article 18 section (2) or Article 20 section (2) shall be subject to sentence of imprisonment no longer than 5 (five) year and fine no more than Rp300.000.000,00 (three hundred million rupiah).

- (2) Anyone who are not a Public Accountant, but performing profession of Public Accountant and acting as if the Public Accountant as set in this Law, shall be subject to sentence of imprisonment for no longer than 6 (six) years and fine no more than Rp500.000.000,00 (five hundred million rupiah).
- (3) In the event that such criminal actions as set forth in section (1) and section (2) is committed by the corporation, the criminal sentence to be imposed shall be in the form of fine at least Rp1.000.000.000, 00 (one billion rupiah) and at the most Rp. 3.000.000.000, 00 (three million rupiah).
- (4) In the event that the corporation could not pay the fine as set forth in section (3) above, the responsible party shall be subject to sentence of imprisonment at least 2 (two) years and no longer than 6 (six) years.

CHAPTER XIV
EXPIRATION OF DEMANDS AND CLAIMS

Article 58

- (1) Public Accountant who commit the action as set forth in Article 55 shall be excused from the criminal demand in the event that the committed action has passed from 5 (five) years since the date of service provision report.
- (2) Public Accountant shall be excused from the claim related to the provision of service as set forth in Article 3 section (1) and section (3) in the event that the action as set forth in Article 55 of which is committed has passed 5 (five) years since the date of service provision report.

CHAPTER XV
TRANSITIONAL PROVISIONS

Article 59

When this Law begins to be in effect:

- a. Public Accountant, KAP, and KAP branch office of which has possessed the valid license of Public Accountant, KAP, and KAP branch office shall be still in effect;
- b. Public Accountant who has possessed the valid license of Public Accountant should renew (re-registration) of its Public Accountant license within no longer than 1 (one) year since the enactment of this Law by submitting document in the form of domicile certificate and Taxpayer Identity;
- c. Application for the license of Public Accountant, business license of KAP, and/ or establishment license of KAP branch office of which is still in progress, should be re-applied in accordance with the provisions set in this Law;
- d. Pass evidence certificate of the professional examination of which is issued by the Association of Indonesian Accountant or Institute of Indonesian Public Accountant shall be stated still in effect to meet the requirements the license of Public Accountant in accordance with the provision as set forth in Article 6 section (1) point a until there is the new provision.
- e. Non-Public Accountant Partner, who has become the Partner in a KAP within period of time no longer than 1 (one) year since the enactment date of this Law,



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- should register as a Non-Public Accountant Partner through submitting document as set forth in Article 14 section (2) point c and point d.
- f. KAPA or OAA whose name has been included collectively with the KAP should register within no longer than 1 (one) year since the enactment date of this Law.
 - g. KAP should adjust its manpower composition within no longer than 1 (one) year since the enactment date of this Law.
 - h. Association of Public Accountant of which has been recognized by the Minister shall be reset back through the Decree of Minister as the Association of Professional Accountant to implement its authority in accordance with the provision of this Law.
 - i. SPAP of which has been set by the Association of Professional Accountant of which has been recognized by the Minister shall be still in effect.

CHAPTER XVI
CLOSING PROVISIONS

Article 60

When this Law begins to be in effect:

- a. The provision of Article 4 and Article 5 of the Law Number 34 year 1954 on the use of Academic Title of Accountant ("Accountant") (State Gazette of the Republic of Indonesia Year 1954 Number 103, Supplement State Gazette of the Republic of Indonesia Number 705 shall be revoked and stated as no longer applicable;
- b. As long as does not contrary to this Law and the new implementing regulation is still unavailable under this Law, implementing regulation of the Law Number 34 Year 1954 on the Use of Academic Title Accountant ("Accountant") (State Gazette of the Republic of Indonesia Year 1954 Number 103, Supplement State gazette of the Republic of Indonesia Number 705) of which governs the service of Public Accountant, shall be stated as still in effect.

Article 61

- (1) All Government Regulation as the implementing regulation of this Law should be stipulated within no longer than 1 (one) year since the enactment date of this Law.
- (2) All Minister Regulation as the implementing regulation of this Law shall be enacted within no longer than 2 (two) years since the enactment date of this Law.

Article 62

This Law shall come into force since the enactment date.

For the public cognizance, it is ordered to promulgate this Law by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on May 3rd, 2011

PRESIDENT OF THE RPUBLIC OF INDONESIA

Signed,

DR. H. SUSILO BAMBANG YUDHOYONO



PRESIDENT
OF THE REPUBLIC OF INDONESIA

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Promulgated in Jakarta

on May 3rd, 2011

MINISTER OF JUSTICE AND HUMAN RIGHT OF
THE REPUBLIC OF INDONESIA

Signed,

PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER 51



PRESIDENT
OF THE REPUBLIC OF INDONESIA

THE EXPLANATION
OF
LAW OF THE REPUBLIC OF INDONESIA
NUMBER 5 YEAR 2011
ON
PUBLIC ACCOUNTANT

I. GENERAL

The Profession Public Accountant is a profession whose main service is insurance service and its output of work is widely applied by the public as an essential consideration in decision-making. Therefore, Profession Public Accountant has significant role in supporting national economy of which is healthy and efficient as well improving transparency and the quality of the financial information.

Such Public Accountant has the role, particularly in improving the quality and credibility of the financial information or financial report of an entity. In this matter, Public Accountant held the public trust to express opinion on a financial report of an entity. Therefore, the responsibility of Public Accountant lays on the opinion or the statement of opinion towards the report or financial information of an entity, otherwise the presentation of report or financial information shall be the responsibility of the management.

As a supporting profession of business activity, in this globalization era of the goods and services commerce, the end-user need of Public Accountant is getting increase, particularly on the quality of financial information of which is used as one of the consideration in the decision-making. Therefore, Public Accountant is required always to improve the quality and competence in order to be capable meet the need of the end-user and held the public trust.

Although the Public Accountant attempts always to update the competence and to improve the professionalism in order to meet the need of the end-users, occur the possibility of failure in provision of Public Accountant service will remain. In order to protect the public interest as well to protect the profession of Public Accountant, it is required a law that regulates the profession of Public Accountant.

Until the enactment of this law, there have not been the law of which specially regulates the profession of Public Accountant, in Indonesia. The available law shall only be Law Number 34 Year 1954 on the Utilization of Academic Title of Akuntan (Accountant) (State Gazette of the Republic of Indonesia Year 1954 Number 103, Supplement of the State Gazette of the Republic of Indonesia Number 705). Regulation on the profession of Public Accountant in Law Number 34 Year 1954 is no longer accord with the currently condition and did not regulate the fundamental matters in the profession of Public Accountant.

Therefore, it is arranged Law on Public Accountant of which regulates several fundamental matters in the profession of Public Accountant whose objectives be:

1. to protect public interest;
2. to support the economy of which is healthy, efficient, and transparent;
3. to maintain the integrity of the profession of Public Accountant;
4. to increase the competence and quality profession of Public Accountant;
- and
5. to protect the profession interest of Public Accountant that is in accordance with the standard and ethics code of profession.

This Law regulates matters as follow:

1. scope of Public Accountant service;
2. licensing of Public Accountant and KAP;



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3. entitlement, obligation, and prohibition for the Public Accountant and KAP;
4. partnership between inter-Public Accountant Office (OAI) and the partnership between KAP and Foreign Public Accountant Office (KAPA) or Foreign Audit Organization;
5. Association of the Professional Public Accountant;
6. Professional Public Accountant Committee;
7. guidance and supervision by the Minister;
8. administrative penalty; and
9. criminal provision.

This Law exclusively regulates the entitlement belongs to the Public Accountant, which is insurance service that only can be provided by the Public Accountant. In order to protect and to provide legal certainty to the profession Public Accountant, it is also regulated the expiration criminal charge and lawsuit to the Public Accountant.

In addition regulates the profession Public Accountant, this Law also regulates the KAP of which is organization for the Public Accountant in providing the professional service. the essential on the regulation of KAP is, such as concerning to the licensing of KAP and business form of KAP. One of the requirements of the business license of KAP possesses the planning system of quality control so that the professional association can be implemented in accordance with SPAP. Meanwhile, regulation concerned with the business form of KAP is intended in order to be in accordance with the characteristic of the profession Public Accountant, which is professional responsibility of the profession Public Accountant toward its work outcomes.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory

Article 2

Self-explanatory

Article 3

Insurance service means services of the Public Accountant of which is intended to insure the end-users on the evaluation result or financial and non-financial information measurement based on some criteria.

Point a

“Audit service on the information of historical financial” means insurance association of which is applied on the historical financial information, whose objective to provide the appropriate conviction on the fairness presentation of such historical financial information and its summary is stated in the form of positive statement.

Historical financial information includes such as financial report, part of a financial report, or a report that is included in a financial report.

Point b

“Review service on the information of historical financial” means insurance association of which is applied on the historical financial information, whose objective to provide the appropriate conviction on the fairness presentation of such historical financial information and its summary is stated in the form of negative statement.

Point c



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“Other insurance services” means insurance association other than audit service or review on the historical financial information. Other insurance services include such as insurance association to perform evaluation and compliance towards the regulation, evaluation on the effectiveness of internal control, examination on the prospective financial information, and the issuance of *comfort letter* for the offer.

Section (2)

Self-explanatory

Section (3)

In this section, “*other services of which is related to the account, financial, management*” means including the services of performance audit, internal audit, taxation, compilation of financial report, accounting, the agreed procedures on financial information, and system of information technology.

Article 4

Section (1)

Self-explanatory

Section (2)

In the Government Regulation regulates such as number of accounting year that can be audited consecutively by the Public Accountant and/ or KAP, type of industry, public or private company, and administrative penalty to maintain the independency of the Public Accountant and/ or KAP.

Article 5

Section (1)

The intended license is the license to practice as a Public Accountant.

Section (2)

License renewal is made administratively.

Section (3)

Self-explanatory

Article 6

Section (1)

Point a

“*Valid evidence of the pass of professional accountant examination*” means passing examination evidence certificate of which is issued by:

- a. Association of Public Accountant; or
- b. higher education institution of which is accredited by the Association of Public Accountant to run the education of professional Public Accountant.

Those who is eligible to take education of professional Public Accountant shall be anyone who possess education at least bachelor degree (S-1), diploma IV (D-IV) or the equal.

Point b

Practical experience in providing insurance service shall be the primary requirement, while experience in providing service as set forth in Article 3 section (3) shall be the secondary requirement.

Point c



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Domicile shall be evidenced with the valid Identity Card, such as KTP or other identity cards of which is in accordance with the provision of law and regulation.

Point d
Self-explanatory

Point e
Self-explanatory

Point f
Never being sentenced shall be evidenced with the statement letter of the person in question.

Point g
Self-explanatory

Point h
Self-explanatory

Section (2)
Requirements and licensing procedures include the provision on the passing evidence certificate of the education of Professional Public Accountant of which is valid and practical experience in the field of audit on the historical financial information and other audit, which is arranged after obtaining the consideration from the Professional Public Accountant Committee.

Article 7

Section (1)
In this section, “mutual recognition agreement” means the agreement between the Government of Indonesia and the Government of other countries on the mutual recognition of the equality of profession Public Accountant.

Section (2)
Self-explanatory

Section (3)
Self-explanatory

Section (4)
Self-explanatory

Article 8

Section (1)
Self-explanatory

Section (2)
Point a
Self-explanatory

Point b
Self-explanatory

Point c
Self-explanatory



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Point d

Sustainable professional training shall be carried out by the Association of Professional Public Accountant or institution/ organization of which is recognized by the Government.

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Section (5)

Self-explanatory

Section (6)

Self-explanatory

Section (7)

Self-explanatory

Section (8)

Requirements and procedures of renewal of business license include such as license renewal procedures for the Public Accountant who possesses the license when this Law is applicable.

Article 9

Self-explanatory

Article 10

Self-explanatory

Article 11

Self-explanatory

Article 12

Section (1)

Point a

Self-explanatory

Point b

Self-explanatory

Point c

Self-explanatory

Point d

“Other business forms of which are matching to the characteristic of the profession of Public Accountant” shall be the business entity that shows the independency and responsibility of which is on the Public Accountant for example, Limited Liability Partnership and Professional Limited Liability Company.

Section (2)

Self-explanatory

Article 13



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Self-explanatory

Article 14

Self-explanatory

Article 15

Point a

Self-explanatory

Point b

Number 1

Self-explanatory

Number 2

Self-explanatory

Number 3

Position that results the conflict of interest refers to the provision on conflict of interest herein.

Point c

Self-explanatory

Article 16

Section (1)

Point a

Self-explanatory

Point b

Self-explanatory

Point c

Self-explanatory

Point d

Number 1

Self-explanatory

Number 2

Self-explanatory

Number 3

Position that results the conflict of interest refers to the provision on conflict of interest herein.

Point e

Self-explanatory

Point f

Self-explanatory

Section (2)

Self-explanatory

Article 17

Section (1)

“*Foreign professional employee*” means the employee other than Partner of the KAP of which is related to provision of services, such as auditor



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staff, expert staff in certain field that is related to the provision of services.

Section (2)
Self-explanatory

Article 18

Section (1)
Self-explanatory

Section (2)

Point a
“*Having office*” means possesses or rents the office.

Point b
Self-explanatory

Point c
“*Professional audit employees in the field of accountancy*” at least consists of an auditor who is Bachelor Degree in the accounting and a Diploma III (D-III) in the accounting.

Point d
“Quality control system” shall be the quality control system of which is regulated in SPAP.

Point e
Objective and Purpose of the establishment of the office shall be to provide insurance and non-insurance services.

Point f
Self-explanatory

Section (3)
Self-explanatory

Article 19
Self-explanatory

Article 20
Self-explanatory

Article 21

Section (1)

Point a
KAP whose business form is other than individual, the application for license revocation shall be upon the approval of all Partners in the KAP.

Point b
Self-explanatory

Point c
Self-explanatory

Point d
Self-explanatory

Point e



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Self-explanatory

Point f

Such fake documents or being faked document or untrue information have obtained the approval from the authorized party.

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Article 22

Section (1)

Point a

Self-explanatory

Point b

Self-explanatory

Point c

The chairman of KAP proposes the application of the establishment license of KAP branch office upon approval of all Partner of KAP.

Point d

Self-explanatory

Point e

Self-explanatory

Point f

Self-explanatory

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Article 23

The determination of domicile is not related to the legal domicile or legal establishment.

Article 24

Self-explanatory

Article 25

Section (1)

Public Accountant includes also Foreign Public Accountant who has obtained license of Public Accountant.

Section (2)

Point a

Self-explanatory

Point b

Self-explanatory

Point c



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Working paper means written document, electronic document or document in other form that define the working process of the Public Accountant.

Section (3)
Self-explanatory

Article 26
In this Article, “*responsible*” means civil responsible.

Article 27
Section (1)
Point a
Self-explanatory
Point b
“*Having office*” means possesses or rents the office.
Point c
Self-explanatory
Point d
Self-explanatory

Section (2)
Self-explanatory

Section (3)
Point a
The submission of financial report is designated to be used by the Finance Minister in the process of guidance and supervisory, it is not intended as the form of a financial accountability of the KAP.

Point b
Self-explanatory

Section (4)
Self-explanatory

Section (5)
Provision concerned with the procedures of report also includes the format of report.

Article 28
Self-explanatory

Article 29
Section (1)
Party of which is included into the Associated Party shall be specialist expert who is contracted by the Public Accountant or KAP for example actuary, assessor, legal expert, environment expert, and geology expert.

Section (2)



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Supervision by the Finance Minister includes the examination of working paper and inquiry to acquire the conviction on the compliance of Public Accountant, KAP, and KAP branch office toward this Law and the implementing regulation, as well the SPAP.

Section (3)

Self-explanatory

Article 30

Section (1)

Point a

Self-explanatory

Point b

Number 1

Self-explanatory

Number 2

Self-explanatory

Number 3

Position that causes the conflict of interest refers to the provision of Article 28 Section (3) of which is further regulated in the Regulation of Finance Minister.

Point c

“Having been performed by other Public Accountant” shall be the condition in which other Public Accountant has issued the report as result of the provision of service as set forth in Article 3 section (1).

Point d

Self-explanatory

Point e

Self-explanatory

Point f

Self-explanatory

Point g

Explanatory

Point h

“Conditional honorarium” means fee of the service of which is established that value of the fee in question determined based on certain condition, for example based on the type of opinion to be made.

Point i

Commission means fee in the form of money, or goods, or other forms that is intended to obtain the services.



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Point j

Self-explanatory

Section (2)

Self-explanatory

Article 31

Section (1)

Point a

The “*partnership*” shall be the cooperation that includes the name of KPA and OAA.

Point b

Self-explanatory

Point c

Self-explanatory

Point d

Self-explanatory

Point e

The advertisement is deemed misleading in the event that only includes the identity of Public Accountant and/ or KAP, type of the services provided, and the experience of the Public Accountant and/ or KAP.

Section (2)

In this section, “*list of disgraceful persons*” means the list of which includes the disgraceful persons, which is released by certain authority based on law and regulation for example the Minister and Capital Market authority.

Article 32

Self-explanatory

Article 33

Self-explanatory

Article 34

Self-explanatory

Article 35

Section (1)

Self-explanatory



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Section (2)

Self-explanatory

Section (3)

Point a

All audit services on the historical financial information that performed by the Public Accountant through KAP should be included in the partnership agreement with KAP or OAA.

Point b

“Methodology” includes access to use all aspects related with intellectual rights and copy right of the included party.

Point c

Self-explanatory

Point d

“*Sustainable partnership*” shall be the partnership of which is not limited for a certain assignment.

Section (4)

Self-explanatory

Section (5)

Self-explanatory

Section (6)

KAPA and its affiliation in several countries shall be deemed as one KAPA.

Article 36

Self-explanatory

Article 37

Self-explanatory

Article 38

Self-explanatory

Article 39

Section (1)

Point a



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Self-explanatory

Point b

This provision shall also be applied in the event that the violation is occurred when KPA in partnership with KAPA and such violation are found after KAPA has not been in partnership with the KPA.

Point c

This provision shall also be applied in the event that the violation is occurred when KPA in partnership with OAA and such violation are found after OAA has not been in partnership with the KPA.

Article 40

Section (1)

Point a

Self-explanatory

Point b

“*Sustainable partnership*” shall be the partnership of which is not limited for a certain assignment.

Point c

Self-explanatory

Point d

This provision shall also be applied in the event that the violation resulted the revocation of license when the OAA is still in partnership with KAP, although the OAA is no longer in partnership with the KAP in question when the KAP subject to administrative penalty in the form of license revocation.

Point e

“Partnership with other KAP” shall be the partnership of which includes the name of OAA.

Section (3)

Self-explanatory

Article 41

Self-explanatory

Article 42

Self-explanatory

Article 43



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Self-explanatory

Article 44

Section (1)

Self-explanatory

Section (2)

In the Government Regulation is regulated such as concerned with the arrangement and establishment process of SPAP as well the determination of requirements for the participants of the professional public accountant examination.

Article 45

Section (1)

Professional Public Accountant Committee shall be independent during making the decision and the establishment by the Finance Minister shall be administrative in nature.

Professional Public Accountant Committee is established to improve the transparency and accountability of the profession in the guidance, empowerment, and supervision to protect the public interest.

Section (2)

Each element or institution shall establish each element that represents the element in the Professional Public Accountant Committee.

Point a

Self-explanatory

Point b

Self-explanatory

Point c

Those who represent the professional public accountant association shall be the represent of the professional public accountant of which is nationwide that possesses criteria as follow:

- a. having article of association;
- b. having the structure of officials and have been approved by all members meeting;
- c. having accounting education program; and
- d. having ethics code of the organization.

Point d

Self-explanatory

Point e

Self-explanatory

Point f

Self-explanatory

Point g



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Academician representative shall be established from the candidate who is agreed by the Higher Education with accreditation "A" in the field of accounting.

Point h

Those who represent the end-user of public accountant shall be the representative from the Chamber of Commerce and Industry.

Point i

Self-explanatory

Point j

Self-explanatory

Point k

Self-explanatory

Point l

Self-explanatory

Point m

Self-explanatory

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Article 46

Section (1)

In this Section, Chairman and Vice-Chairman are merely for the purpose of coordination, not the structural position and purposed to facilitate the implementation of the tasks of the Professional Public Accountant Committee.

Section (2)

Point a

Self-explanatory

Point b

Accounting Standard includes standard financial accounting and standard of sharia accounting.



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Point c

Self-explanatory

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Section (5)

Self-explanatory

Article 47

Self-explanatory

Article 48

Self-explanatory

Article 49

Self-explanatory

Article 50

Self-explanatory

Article 51

Section (1)

Examination performed by the Finance Ministry is designated to assess the compliance of the Public Accountant, KAP, and KAP branch office towards this Law and its implementing regulation.

Section (2)

“*Other party*” means intern supervisory of the government apparatus and the association of Professional Public Accountant.

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Section (5)

Self-explanatory

Section (6)

Self-explanatory



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Section (7)

Self-explanatory

Section (8)

Self-explanatory

Article 52

Article (1)

Point a

The Associated Party could refuse to give explanation in the event that the law protects the information related with his / her work.

Point b

Self-explanatory

Point c

Self-explanatory

Section (2)

Self-explanatory

Article 53

Section (1)

Administration penalty shall be sanction or penalty due to administrative violation.

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Section (4)

Self-explanatory

Section (5)

Self-explanatory

Article 54

Self-explanatory

Article 55

Point a

Self-explanatory

Point b

The authorized parties shall be the Minister, police, prosecutor, and court.



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Article 56

Self-explanatory

Article 57

Section (1)

Self-explanatory

Section (2)

Self-explanatory

Section (3)

Self-explanatory

Section (4)

The “*responsible party*” shall be those who give the command to commit criminal action and/ or acting as the leader in committing criminal action.

Article 58

Self-explanatory

Article 59

Self-explanatory

Article 60

Self-explanatory

Article 61

Self-explanatory

Article 62

Self-explanatory



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