

CHAPTER I

INTRODUCTION

A. Research Background

The business world today experiences competition and development that is so strict in providing optimum service to consumers. To support this, companies need fixed assets in assisting the smooth operation of the company. Fixed assets can be obtained by means of making purchases, create their own asset, leasing, through asset exchanges, and depositing assets of capital by shareholders such as equipment, vehicles, lands, and building. If the companies choose to use the lease that can be done through a financing company, it is often known as Leasing. Based on data from the Financial Services Authority (OJK), total assets owned by financing company until January 2019 were IDR 502.86 trillion increased by 5.69% of the total assets of the same period last year of IDR 27.09 Trillion.

Indonesian Institute of Accountant Indonesian Financial Accounting Standart Board (DSAK IAI) in 2017 issued The Statement of Financial Accounting Standart (PSAK) 73 concerning Lease that adopts the IFRS 16 Leases containing a single standard on lease as it will replace all standards related to recognition, measurement, presentation and disclosure of existing rent. They are PSAK 30 regarding Lease, Interpretation of Statement of Financial Accounting

(ISAK) 8 concerning determining whether an agreement contains a leasing, ISAK 23 concerning incentive lease, ISAK 24 regarding evaluation of substance some transactions involving a legal lease and ISAK 25 regarding land rights.

The reason why PSAK 73 concerning Lease was issued is because the previous PSAK allows lessee not to disclose capital lease or to perform the recording of the leasing to be not displayed in the statement of financial position (off-balance sheet) so that it can increase some of the company's financial ratios. Meanwhile, PSAK 73 improves, the condition by the requirement that the tenant (lessee) booked all types of leasing as a financial lease. The tenant can only recognize operating lease if it meets two conditions that are short-term (12 months) and low value (PricewaterhouseCoopers, 2019). PSAK 73 is effective on 1 January 2020, but Institute of Indonesia Chartered Accountants (IAI) allows an early application for the entity that has applied PSAK 72 on revenue from contracts with customers.

The implementation of IFRS 16 on lease has been researched by Tai (2013) and Ozturk & Sercemeli (2016). Tai's reference (2013) showed how the capitalization effect of leases on the food industry in Hongkong. Ozturk & Sercemeli (2016) demonstrated the impact of IFRS 16's implementation of financial position reports and financial ratios on airlines in Turkey.

The author wants to see the impact of early application of PSAK 73 on PT XYZ engaged in the lease of national and international vessels. And in carrying out business strategy, PT XYZ serves as a lessee and a lessor. This research is expected to provide an overview of the impact of the implementation of PSAK 73 on financial statements and financial performance in PT XYZ and can be a reference for PT XYZ in analyzing financial statements, especially the impact of the application of PSAK 73 concerning Lease.

B. Research Problems

Based on the background, the author formulates the following problems:

1. How is the application of PSAK 30 to the financial statements of PT XYZ in 2018?
2. How is the application of PSAK 73 to the financial statements of PT XYZ in 2018??
3. How is the impact after implementation of PSAK 73 for leasing on the financial statement of PT XYZ period 31 December 2018?

C. Research Purposes

The purpose of this research are :

1. to analyze the application of PSAK 30 to the financial statement of PT XYZ as period 31 December 2018.
2. to analyze the application of PSAK 73 to the financial statement of PT XYZ as period 31 December 2018.

3. to analyze after implementation of PSAK 73 for leasing on the financial statement of PT XYZ period 31 December 2018.

D. Research Benefits

The results of this research are expected to provide the following benefits:

1. For PT XYZ, it is expected that this research can be a source of information on how the implementation of PSAK 73 concerning Lease on financial statements and financial ratios.
2. For scholars, it is expected that this research can provide additional literature to the study of the application of PSAK 73 concerning Lease and its effect on the company's financial statements.
3. For the community, it is expected that this research can be a source of information that can be used in the manufacture and application of a lease agreement.