

## **Implementation Of Financial Accounting Standards For Entities Without Public Accountability: A Comparative Literature Review**

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INDEXING	ABSTRACT
<p><b>Keyword:</b> Keyword 1; SAK ETAP Keyword 2; Accounting Keyword 3; SMEs Keyword 4; Theory</p>	<p>This study investigates the progression of scholarly literature concerning the implementation of Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) over the period 2015 to 2025. Employing a descriptive analytical approach, the research incorporates literature comparison and triangulation methods to synthesize findings. The results indicate that approximately 80% of theoretical and empirical developments related to the application of SAK ETAP—particularly within Small and Medium Enterprises (SMEs) and cooperatives—remain concentrated on several key areas: the analysis and enhancement of implementation practices, training initiatives, governmental support mechanisms (such as public dissemination), and the educational backgrounds of stakeholders involved in preparing financial statements in accordance with SAK ETAP. This is substantiated by a review of literature on SAK ETAP from 2015 to 2025, which continues to reflect a gap in theoretical advancement. Notably, the research has yet to explore the development of SAK ETAP theory influenced by the online software system introduced by the central government through the Directorate General of Taxes. Furthermore, a newly emerging framework known as the Private Entity SAK has been introduced as of early 2025, signaling a potential shift in the regulatory landscape.</p>

### **Article History**

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## **INTRODUCTION**

Accounting is both an applied science and an art, characterized by the systematic and continuous recording of financial transactions in accordance with established rules and frameworks. It also functions as a professional service that is experiencing growing demand across both private and public sectors, driven by the increasing need for reliable and expert financial reporting (Adewale *et al*, 2022). Consequently, contemporary accounting education is expected to cultivate graduates who possess not only theoretical proficiency but also practical competencies that can be effectively applied in real-world contexts. Financial accounting refers to the systematic and periodic recording of a company's financial transactions, which serve as essential sources of information for various stakeholders. It is widely adopted across nearly all forms of business as a foundational mechanism for financial reporting. The primary objective of financial accounting, as reflected in the financial statements, is to generate reliable and relevant information that supports users in making informed economic decisions.

Financial accounting standards are intrinsically linked to accounting information, serving as formalized procedures that guide the preparation of financial statements. Accounting information, defined as quantitative data regarding economic entities, plays a critical role in informing decision-making by facilitating the evaluation of alternative

actions. Cooperatives, as organizational entities, often encounter challenges in compiling financial statements that fulfill the requirements of public accountability. In recognition of the fact that not all entities operate under the same accountability framework, the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) provide a simplified approach to financial reporting, enabling cooperatives and similar entities to structure their accounting practices more effectively and accessibly.

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The problem statement in this research is how the development of literature related to the Implementation of Financial Accounting Standards for Entities Without Accountability from 2015 to 2025. Based on the problem formulation that has been described, the aim of this research is to examine the development of literature related to the Implementation of Financial Accounting Standards for Entities Without Accountability from 2015 to 2025.

## **LITERATURE REVIEW**

### **Financial Accounting Standards (FAS)**

Financial Accounting Standards (FAS) represent a structured framework comprising rules, principles, and practices that guide the preparation and presentation of financial statements. These standards are designed to promote consistency, transparency, and reliability in financial reporting, thereby enhancing the comparability and interpretability of financial information across different entities (Burton and Jermakowicz, 2015).

### **Financial Accounting Standards for Entities without Public Accountability**

The Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) serve as a simplified accounting framework specifically designed for entities lacking significant public accountability. According to the SAK ETAP publication (2009:1), such entities are characterized by two key criteria: (a) they do not hold substantial public accountability, and (b) they prepare general-purpose financial statements intended for external users.

### **Financial Position Report**

A financial report provides a snapshot of a company's financial position at a specific point in time, detailing the components of assets, liabilities, and equity. According to SAK ETAP (2016), these three elements—assets, liabilities, and equity—are directly associated with measuring an entity's financial position and serve as the core components of general-purpose financial statements.

### **Users of Financial Statements**

Users of financial statements comprise a diverse group, including investors, employees, lenders, suppliers and other creditors, customers, government entities, regulatory institutions, and the broader community. According to SAK 1 (2015), these stakeholders rely on financial statements to fulfill a variety of information needs, such as assessing financial performance, evaluating creditworthiness, informing economic decisions, and ensuring compliance with regulatory requirements.

### **Recognition in Financial Reports**

According to SAK ETAP (2016), entities are required to prepare financial statements—excluding the cash flow statement—using the accrual basis. Under this method, assets, liabilities, equity, income, and expenses are recognized when they satisfy the definition and recognition criteria established for each financial element.

## **RESEARCH METHOD**

This study adopts a qualitative research approach, which emphasizes in-depth understanding of social phenomena within natural and real-life contexts. The qualitative paradigm facilitates a holistic and detailed examination of complex issues, enabling the collection of meaningful and credible data. This method is particularly well-suited for policy evaluation and for enhancing interpretive clarity regarding the situations under investigation.

This study utilizes secondary data, defined as information not obtained directly from the research subjects but collected through external sources. Secondary data serves as a complement to primary data and includes scientific journals, academic books, and other relevant materials published between 2015 and 2025.

The data collection technique employed in this research is the literature study method, commonly referred to as a literature review. A literature review entails a comprehensive synthesis of previous research conducted on a specific topic. Its primary purpose is to inform readers about the current state of knowledge, identify existing gaps, and highlight areas that warrant further investigation. As noted by Denney and Tewksbury (2013), the literature review serves to establish the rationale for the study being undertaken, while also providing inspiration and direction for future research endeavors. Literature studies draw upon a range of sources, including scientific journals, academic books, institutional documentation, online databases, and library archives. According to Nursalam (2020), the literature study method encompasses a systematic series of activities involving the collection of reference materials, intensive reading, note-taking, and the analytical processing of written content. This approach enables researchers to construct a comprehensive understanding of the topic and identify relevant theoretical and empirical insights.

## **RESULTS AND DISCUSSION**

From the search results of theories related to SAK ETAP from 2015 to 2025, the findings can be presented as follows.:

**Table 1. Mapping of the SAK ETAP Theory 2015-2025**

<b>No.</b>	<b>Author and Year</b>	<b>Important Findings</b>
1.	Gago and Yuniarsih, 2023	SAK ETAP arrange up the financial statements
2.	Faiz Zamzami & Nabella Duta Nusa, 2016	SAK ETAP is a necessity for companies that use financial statements for various business purposes, with the ability to understand and analyze financial reports.
3.	Mujairimi, 2017	SAK ETAP is designed for companies that do not have public accountability. For companies that are not publicly listed, it is recommended to refer to SAK ETAP in the preparation of financial statements. Therefore, SAK ETAP emerges as a solution for companies without public accountability.
4.	Muhammad Al Amin, 2018	The accounting standards are used to prepare financial statements. To establish existing accounting standards or rules with specific interests in mind.
5.	Toto Prihadi, 2019	SAK ETAP prepared by the Financial Accounting Standards Board (DSAK) is influenced by the International Accounting Standards prepared by the International Accounting Standards Board (IASB).
6.	Syaiful bahri, 2020	Financial accounting is intended for users of financial statements as financial information of an entity as a basis for investment or loan decision making, understanding the financial position of the entity, and understanding the performance of the entity and cash flows.
7.	Dr. Jan Hoesada, 2022	The preparation of financial accounting standards is to establish the basics for the presentation of financial statements for the public, and the formulation of financial accounting standards can provide satisfaction to all parties interested in the financial statements.
8.	Rashid, dkk, 2021	Accounting and finance theory could be interpreted either as speculative interpretations or empirical explanations depending on the preparation of the researcher.
9.	Fitri Yani Jalil, dkk 2024	The financial accounting standards for entities without public accountability, also known as SAK ETAP, have been enacted since January 1, 2011.
10.	Ibnu fajarudin, 2023	SAK ETAP is an independent accounting standard that does not refer to General Accounting Standards, mostly using the concept of historical cost, regulating transactions carried out by ETAP, a simpler form of regulation in terms of accounting treatment and relatively unchanged over several years.
11.	Eni Susiliwati, dkk 2024	SAK ETAP is a framework for the preparation of financial statements to ensure uniformity in the presentation of financial statements.

12.	Mahesa, R & Sisdiyanto. E, 2024	Accounting standards are important guidelines in the preparation of financial statements of an entity, and these standards are established to ensure that the financial information presented can be understood, relevant, and reliable for stakeholders.
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**Source: Scientific Book**

**Table 2. Mapping of SAK ETAP Theory 2015-2025**

No.	Year	Important Findings
1.	2015	If the account classification in the Company has not been properly prepared, then the financial statements cannot run smoothly.
2.	2016	The owner's motivation to learn the use of SAK ETAP in order to produce financial reports in accordance with the applicable standards.
3.	2017	Important points were found, but there is not much understanding of the Statement of Changes in Equity and the Cash Flow Statement.
4.	2018	SAK ETAP relates to the provision of credit to MSMEs. This means that the better the financial reports of an MSME, the more credit they will receive for their business.
5.	2019	Micro entrepreneurs still have weaknesses in financial reporting in accordance with SAK ETAP standards. Therefore, there is a need to improve understanding in mastering financial reports.
6.	2020	Socialization and provision of information related to SAK ETAP are very necessary for the success of cooperatives to report their finances in accordance with applicable financial regulations.
7.	2021	Training in mastering financial statements based on SAK ETAP is necessary for deepening and practicing that standardization.
8.	2022	Small and medium-sized companies have not been able to present income statements and balance sheets, so a deeper understanding is needed for company users to report in accordance with financial accounting standards without public accountability.
9.	2023	Companies or cooperatives have not yet maximized guidelines that align with the financial accounting standards for entities without accountability.
10.	2024	The importance of the role of regulators or related agencies, for example, the Tax Office, Revenue Office, and other offices to provide knowledge in implementing SAK ETAP in MSMEs.

11.	2025	The implementation of Private Entity FAS (which will be launched in early 2025) can be said to effectively not only strengthen the financial stability of cooperatives but also promote economic growth based on justice and togetherness (Kamil et al. 2025)
12	2025	According to research (2025), it was found that the implementation of Private Entity GAAP has been applied in several companies, with a new standardization, but it is still in the process of refinement for optimization.

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**Source: Scientific Book Collected at 2025**

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The data presented above illustrates notable growth in research related to the implementation and effectiveness of financial reporting practices under SAK ETAP among MSMEs, cooperatives, and similar institutions between 2015 and 2025. However, scholarly critiques indicate that approximately 80% of studies during this period remain concentrated on implementation issues, the educational background of MSME stakeholders, and government-led socialization efforts. Notably, there is a lack of exploration into theoretical developments or the integration of SAK ETAP through online-based applications, which suggests a significant gap in the current academic discourse.

At present, the government is intensifying efforts to increase state revenue through the taxation sector, notably by expanding the contribution from Micro, Small, and Medium Enterprises (MSMEs), cooperatives, and other micro-level institutions. As part of a nationwide initiative to integrate taxpayer data, the government has introduced a financial reporting framework that enables taxpayers—including MSMEs—to adopt financial reporting systems aligned with the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP). This approach is intended to enhance reporting accuracy, transparency, and compliance within the sector.

Researchers have identified a significant gap in the accounting literature related to SAK ETAP—specifically, the absence of an accessible online system that enables MSME entrepreneurs to report their financial information directly to the state. The availability of such software would streamline financial reporting for MSMEs, cooperatives, and other micro-enterprises, aligning their practices with government tax programs hosted on official platforms, particularly those managed by tax offices across Indonesia.

In the era of digitalization and information technology, financial reporting models have increasingly adopted internet-based platforms and user-friendly software solutions tailored to the needs of Micro, Small, and Medium Enterprises (MSMEs). These systems facilitate data input covering key financial elements such as cash, liabilities, expenses, obligations, and taxes, and support the structured preparation of balance sheets and income statements. The practicality of this approach is exemplified by the implementation of SAK ETAP-based financial reporting models, as demonstrated in the supporting calculations and examples provided within the appendix of this thesis.

Some important points of finding in this research are the change of name from SAK ETAP to Private Entity SAK since the beginning of 2025:

1. Private Entity Accounting Standards replace the Accounting Standards for Entities Without Public Accountability as of January 1, 2025.

2. The Private Entity SAK is an adoption of IFRS For SMEs (2015 Version).
3. The Private Entity Accounting Standards are simpler than the ETAP Accounting Standards and more comprehensive.
4. The commitment to revise the previous SAK which started in 2011, namely SAK ETAP, is effective to enhance the transparency of financial reporting for MSMEs. Then, from 2014 to 2017, there was a commitment to a comprehensive revision of SAK ETAP, starting with a research study, and in 2017, a discussion paper was published to revise SAK ETAP. Furthermore, in 2018, SAK EMKM, published in 2016, became effective. In 2020, the draft Exposure of SAK Private Entities was approved. In 2021, SAK Private Entities was approved. The effective date for the application of SAK Private Entities is January 1, 2025.

## CONCLUSION

This study concludes that the development of theory and research on the implementation of SAK ETAP—particularly among MSMEs and cooperatives—remains concentrated on practical aspects such as implementation practices, training, government support through socialization, and the educational background of financial actors. Based on a literature review spanning 2015 to 2025, findings indicate a prevailing knowledge gap, particularly regarding the theoretical advancement of SAK ETAP in connection with the government's online software system introduced by the Directorate General of Taxes. The development of SAK ETAP theory requires further exploration of accessible financial reporting systems tailored for MSME entrepreneurs and cooperatives. Such expansion would help address existing shortcomings in financial statement submissions through the support of simplified software tools. This research identifies a gap in the advancement of SAK ETAP knowledge, specifically in the integration of government-supported digital systems designed to streamline financial reporting for MSMEs.

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