

LATEST SAK IN ACCOUNTING THEORY PERSPECTIVE: PARADIGM CHANGE OR TECHNICAL ADJUSTMENT?

Oleh:

Gabriel Ananta¹

Yusnaini Yusnaini²

Sriwijaya University

Address: JL. Srijaya Negara, Bukit Lama, Kec. Ilir Bar. I, Kota Palembang, Sumatera Selatan (30128)

Corresponding author: 01031282328044@student.unsri.ac.id, yusnaini@fe.unsri.ac.id

Abstract. The development of accounting standards is an important phenomenon in the dynamics of modern accounting practice and theory because accounting standards serve as the main guideline in the preparation of trustworthy and relevant financial statements for stakeholders. In the context of economic globalization, accounting standards are no longer only a technical rule for recording transactions, but also an important instrument in creating transparency and accountability of company financial information. In Indonesia, Financial Accounting Standards (SAK) continue to evolve through a process of convergence with International Financial Reporting Standards (IFRS) which aims to improve the quality of financial reporting and increase the comparability of corporate financial statements at the international level. These changes in accounting standards have led to academic debate as to whether the development of modern accounting standards reflects a paradigm shift in accounting theory or is simply a technical adjustment to the development of global business practices. This study aims to analyze the latest developments in SAK from the perspective of accounting theory and evaluate whether the change in the standard reflects a conceptual transformation or just a technical refinement in financial reporting practices. This study uses a qualitative approach through literature studies by analyzing various scientific articles from national and international journals published in the period 2018–2025. The results show that the development of modern accounting standards not only reflects technical changes in the recording methods

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**Corresponding author: 01031282328044@student.unsri.ac.id*

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of financial transactions, but also shows a change in the orientation of financial reporting that increasingly focuses on investors' information needs and capital market transparency. Thus, the latest development of SAK can be understood as a combination of a change in conceptual paradigm and technical adjustments to global economic dynamics.

Keywords: Financial Accounting Standards, IFRS, accounting theory, transparency of financial statements, convergence of standards.

Abstrak. Perkembangan standar akuntansi merupakan fenomena penting dalam dinamika praktik dan teori akuntansi modern karena standar akuntansi berfungsi sebagai pedoman utama dalam penyusunan laporan keuangan yang dapat dipercaya dan relevan bagi para pemangku kepentingan. Dalam konteks globalisasi ekonomi, standar akuntansi bukan lagi hanya aturan teknis untuk pencatatan transaksi, tetapi juga instrumen penting dalam menciptakan transparansi dan akuntabilitas informasi keuangan perusahaan. Di Indonesia, Standar Akuntansi Keuangan (SAK) terus berevolusi melalui proses konvergensi dengan Standar Pelaporan Keuangan Internasional (IFRS) yang bertujuan untuk meningkatkan kualitas pelaporan keuangan dan meningkatkan daya komparatif laporan keuangan perusahaan di tingkat internasional. Perubahan standar akuntansi ini telah memicu perdebatan akademis mengenai apakah perkembangan standar akuntansi modern mencerminkan pergeseran paradigma dalam teori akuntansi atau hanya penyesuaian teknis terhadap perkembangan praktik bisnis global. Studi ini bertujuan untuk menganalisis perkembangan terkini SAK dari perspektif teori akuntansi dan mengevaluasi apakah perubahan standar tersebut mencerminkan transformasi konseptual atau hanya penyempurnaan teknis dalam praktik pelaporan keuangan. Studi ini menggunakan pendekatan kualitatif melalui studi literatur dengan menganalisis berbagai artikel ilmiah dari jurnal nasional dan internasional yang diterbitkan pada periode 2018–2025. Hasil penelitian menunjukkan bahwa perkembangan standar akuntansi modern tidak hanya mencerminkan perubahan teknis dalam metode pencatatan transaksi keuangan, tetapi juga menunjukkan perubahan orientasi pelaporan keuangan yang semakin berfokus pada kebutuhan informasi investor dan transparansi pasar modal. Dengan demikian, perkembangan terbaru SAK dapat dipahami sebagai

kombinasi perubahan paradigma konseptual dan penyesuaian teknis terhadap dinamika ekonomi global.

Kata Kunci: *Standar Akuntansi Keuangan, IFRS, teori akuntansi, transparansi laporan keuangan, konvergensi standar.*

INTRODUCTION

Accounting standards are an important element in the financial reporting system because they determine how economic transactions are recorded, measured, and presented in a company's financial statements (Johri, 2024). Without clear and consistent standards, financial statements can be compiled with a variety of different methods so that the information produced becomes difficult to compare and less trustworthy by financial statement users (Tri Wahyuni et al., 2020). In practice, financial statements have an important role as a source of information for investors, creditors, regulators, and various other stakeholders in assessing the company's financial performance and position (Johri, 2024). Therefore, the quality of accounting standards greatly affects the quality of financial information produced by the company. Good accounting standards are expected to be able to produce relevant, reliable, and comparable financial statements between companies. As the economic globalization and international financial market integration increase, the need for globally applicable accounting standards is increasing (Nguyen & Nguyen, 2025). Global investors need financial statements that can be compared internationally so that they can assess the performance of companies from different countries more objectively. Therefore, many countries are beginning to adopt or converge with International Financial Reporting Standards (IFRS).

In Indonesia, the process of convergence of accounting standards is carried out by the Indonesian Institute of Accountants through the issuance of Financial Accounting Standards (SAK) which are gradually aligned with IFRS (Tri Wahyuni et al., 2020). This convergence process aims to increase the transparency of financial statements and strengthen investor confidence in the Indonesian capital market. The development of modern accounting standards has resulted in various new standards such as PSAK 71 on financial instruments, PSAK 72 on income from contracts with customers, and PSAK 73 on rents (Kristin & Yandari, 2025). These standards bring significant changes in the

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method of recognition and measurement of corporate financial transactions (Rindhyanti et al., 2026).

In addition, accounting standards also have an important role in reducing potential conflicts of interest between management and company owners, because they limit flexibility in the selection of accounting policies so that they can minimize opportunistic manipulation of financial information (Tri Wahyuni et al., 2020). With these limitations, financial statements become more objective and can reflect the company's economic conditions more accurately.

On the other hand, the development of globalization not only increases the need for comparability of financial statements, but also encourages the harmonization of accounting practices that can support international capital mobility. Global investors tend to avoid risks arising from differences in accounting standards, so the adoption of global standards such as IFRS is a strategic step in improving the efficiency of financial markets (Nguyen & Nguyen, 2025).

Furthermore, the development of accounting standards is also inseparable from the advancement of information technology that allows the presentation of financial data faster and more complexly. This requires accounting standards to continue to adapt to remain relevant in the face of changes in the dynamic business environment (Johri, 2024).

However, the development of accounting standards has also given rise to academic debate as to whether the changes reflect a paradigm shift in accounting theory or are simply a technical adjustment to the development of global business practice (Nguyen & Nguyen, 2025). Therefore, this study aims to analyze the latest SAK developments from the perspective of accounting theory and evaluate its implications on corporate financial reporting practices.

The development of global accounting standards in the last two decades shows increasingly complex dynamics, not only from a technical point of view, but also from a conceptual and institutional point of view. Recent research shows that the adoption of IFRS has had a significant impact on capital market efficiency, particularly through increased transparency of information and a decrease in the level of information asymmetry between management and investors. However, the impact is not always

uniform in each country, as it is greatly influenced by the quality of institutions, legal systems, and the level of regulatory enforcement that applies in each jurisdiction.

Longitudinal studies analyzing more than two decades of IFRS implementation show that the benefits of this global standard tend to be more optimal in countries with strong governance systems, while in developing countries the benefits are often limited by structural factors such as low audit quality and weak enforcement (Bathla et al., 2024).

In addition, the development of modern accounting standards also shows a shift towards increasingly strong global integration, with more than 140 countries adopting or converging their national standards with IFRS. This shows that accounting standards have evolved from mere technical guidelines to an essential infrastructure in the global economic system that serves to enhance the credibility and comparability of financial information across countries (Bathla et al., 2024).

The development of modern accounting standards shows that IFRS serves not only as a technical guideline, but also as an instrument to improve the quality of the capital market through increased transparency and comparability of financial statements. Empirical research in Indonesia shows that the adoption of IFRS contributes to improving the quality of accounting information, especially in terms of the relevance and reliability of the information presented to investors (Prasetyawati et al., 2023).

However, these impacts are not always linear, as some studies have also found that the implementation of IFRS can increase the complexity of financial reporting as well as open up opportunities for profit management practices based on accounting estimates (Sinatra et al., 2022). This shows that the success of IFRS is highly dependent on the quality of implementation and oversight carried out by regulators.

LITERATURE REVIEW

Accounting Theory and Its Development

Accounting theory is a conceptual framework that explains the principles, concepts, and assumptions that underlie accounting practice in the preparation of financial statements (Johri, 2024). Accounting theory helps explain why an accounting method is used as well as how it affects the quality of information produced by financial statements.

In its development, accounting theory has changed in line with changes in the business environment and the information needs of stakeholders (Nguyen & Nguyen,

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2025). In the early stages of accounting development, the main focus of financial reporting is on recording historical transactions and presenting information about the company's financial performance. However, in modern developments, financial reporting is increasingly oriented towards providing information that is relevant to economic decision-making.

The change in the orientation of financial reporting is also reflected in the development of accounting standards that increasingly emphasize the concept of fair value, risk disclosure, and transparency of financial information (Johri, 2024). This shows that the development of accounting standards is not only technical, but also reflects a change in conceptual thinking regarding the purpose of financial reporting.

In recent developments, accounting theory no longer only focuses on measurement and reporting aspects, but also integrates information and behavioral accounting perspectives. Financial statements are seen as a means of strategic communication between management and investors that aim to reduce information asymmetry and improve the efficiency of economic decision-making (Azahra et al., 2026).

Recent empirical research shows that the implementation of IFRS contributes to improved profit quality and value relevance, although these effects are highly dependent on the quality of implementation and the institutional environment. In this case, accounting standards not only serve as a recording tool, but also as a governance mechanism that influences managerial behavior and investment decisions.

In addition, accounting theory also functions as an evaluation tool for existing accounting practices, so that it can be used to assess whether an accounting method is still relevant or needs to be updated according to the development of the business environment. Thus, accounting theory is not only descriptive, but also normative and prescriptive in providing directions for the development of accounting practices (Nguyen & Nguyen, 2025).

In the modern context, accounting theory is also increasingly influenced by interdisciplinary approaches, such as economics, psychology, and finance, which enrich the understanding of how accounting information is used by decision-makers. This shows

that accounting no longer stands as a separate discipline, but is integrated with various other fields of science.

In addition, the development of accounting theory also shows a shift from a rule-based approach to a principle-based approach, which provides greater flexibility in the application of standards, but still demands high professionalism from accountants (Johri, 2024).

In addition, the bibliometric approach in accounting studies shows that the focus of global research has shifted from simply harmonizing standards to evaluating the economic and social impacts of the application of such standards. This reflects that modern accounting theory is increasingly developing in a multidisciplinary direction that combines financial, regulatory, and behavioral aspects of financial statement users (Bathla et al., 2024).

In the perspective of modern accounting theory, IFRS is seen as part of a global effort to reduce information asymmetry between management and investors through improving the quality of financial information disclosure. Literature review shows that IFRS research in Indonesia is dominated by analysis of profit quality and transparency of financial statements, which reflects the main focus of financial statement users on information relevant to economic decision-making (Sukmawati & Pujiningsih, 2022).

In addition, the Systematic Literature Review approach shows that the impact of IFRS on profit management and value relevance is still a significant academic debate. Some studies have found that IFRS is able to suppress profit management practices, while other studies show that flexibility in standards can actually be leveraged by management to perform earnings management (Natalia Fitria Revini Pranata et al., 2024).

Convergence of IFRS and Global Accounting Standards

The convergence of global accounting standards is an effort to harmonize various national accounting systems in order to produce financial reports that can be compared internationally (Sukmawati & Pujiningsih, 2022). International Financial Reporting Standards (IFRS) is a global accounting standard developed by the International Accounting Standards Board (IASB) to improve the transparency and quality of financial reporting.

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Research shows that the adoption of IFRS can improve the quality of financial statements as well as increase the comparability of financial information between companies from different countries (Ningrum et al., 2019). In addition, the use of IFRS can also increase investor confidence in the company's financial statements because the standard is considered to be of high quality and internationally recognized.

In Indonesia, the IFRS convergence process is carried out in stages through the issuance of various PSAKs that are adjusted to international standards (Sukmawati & Pujiningsih, 2022). This process aims to improve the quality of financial reporting of Indonesian companies and increase the competitiveness of the domestic capital market at the global level.

In addition to the benefits already mentioned, IFRS convergence can also improve efficiency in the financial reporting process for multinational companies, as companies no longer need to compile financial statements based on a variety of different standards for each country in which they operate (Sukmawati & Pujiningsih, 2022).

However, the implementation of IFRS also requires a lot of cost, especially in terms of human resource training, information system adjustments, and changes in the company's internal policies. Therefore, the success of IFRS implementation is highly dependent on the readiness of organizations to deal with these changes (Nguyen & Nguyen, 2023).

In addition, IFRS also encourages increased transparency through broader disclosure of information, which can ultimately increase investor confidence and strengthen the integrity of the capital market.

IFRS convergence can also be analyzed within the framework of institutional theory, which explains that organizations tend to adopt global practices to gain legitimacy in the eyes of international investors. In this context, the adoption of IFRS is not only driven by the technical need to improve the quality of financial reporting, but also by external pressure from regulators, investors, and international institutions.

Recent research shows that the main determinants of successful IFRS implementation include the quality of the institution, the level of investor protection, and the effectiveness of the law enforcement system. Countries with high institutional quality tend to benefit more from IFRS, while countries with weak institutional systems often

experience gaps between the standards adopted and the practices applied (Nguyen & Nguyen, 2023).

In the Indonesian context, recent studies show that the IFRS convergence process has evolved from the formal adoption stage to the substantive implementation stage, where the main challenge no longer lies in regulation, but in the readiness of human resources, information systems, and organizational culture to implement the standard effectively (Sadiqin, 2025).

Latest Accounting Standards in Indonesia

The latest developments in SAK show changes in various aspects of financial reporting, especially in terms of recognition and measurement of corporate financial transactions (Tri Wahyuni et al., 2020). Some accounting standards that reflect these developments include PSAK 71, PSAK 72, and PSAK 73.

PSAK 71 introduces an expected credit loss model in the measurement of credit losses that allows companies to identify potential credit risks at an early stage (Widiastuti & Safira, 2018). PSAK 72 transforms the revenue recognition approach by using a five-step model that emphasizes the fulfillment of performance obligations in contracts with customers.

Changes in PSAK not only have an impact on the presentation of financial statements, but also affect the company's internal decision-making process, as the information produced becomes more complex and requires more in-depth analysis (Tri Wahyuni et al., 2020).

In addition, the implementation of the new standard also requires companies to improve the quality of accounting information systems to be able to process data more accurately and on time. This shows that the development of accounting standards also has implications for the technological and management aspects of the organization.

On the other hand, changes in accounting standards also encourage improvement in audit quality, because auditors must ensure that companies have implemented these standards appropriately and consistently (Kusumastuti & Rahmawati, 2018).

Meanwhile, PSAK 73 requires companies to acknowledge right-of-use assets and lease liabilities in the financial position report. The change in the standard shows that

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modern accounting standards increasingly focus on increasing transparency and presenting more relevant information for users of financial statements (Kusumastuti & Rahmawati, 2018).

RESEARCH METHODS

This study uses a qualitative approach using the Systematic Literature Review (SLR) method to analyze the development of Financial Accounting Standards (SAK) from the perspective of accounting theory and its implications for transparency and quality of financial reporting. The SLR method was chosen because it allows the process of identification, selection, and synthesis of literature systematically so that the results of the research are more transparent and can be replicated.

Through this approach, the study aims to examine various empirical findings from previous research on the convergence of International Financial Reporting Standards (IFRS) in Indonesia and its impact on financial reporting practices and the development of accounting theory. A literature analysis was conducted to understand whether changes in modern accounting standards reflect a paradigm shift in accounting theory or are simply a technical adjustment to the development of global business practices.

The literature search process is carried out through several academic databases such as Scopus, Google Scholar, and other scientific journal repositories using the Publish or Perish application. The keywords used in the search process include "*IFRS*", "*PSAK*", "*accounting standards*", "*financial reporting transparency*", and "*financial statement quality*". The literature search was limited to the period 2020–2025 to ensure that the analyzed research represents the latest developments in accounting standards, especially after the implementation of various IFRS convergence results such as PSAK 71, PSAK 72, and PSAK 73.

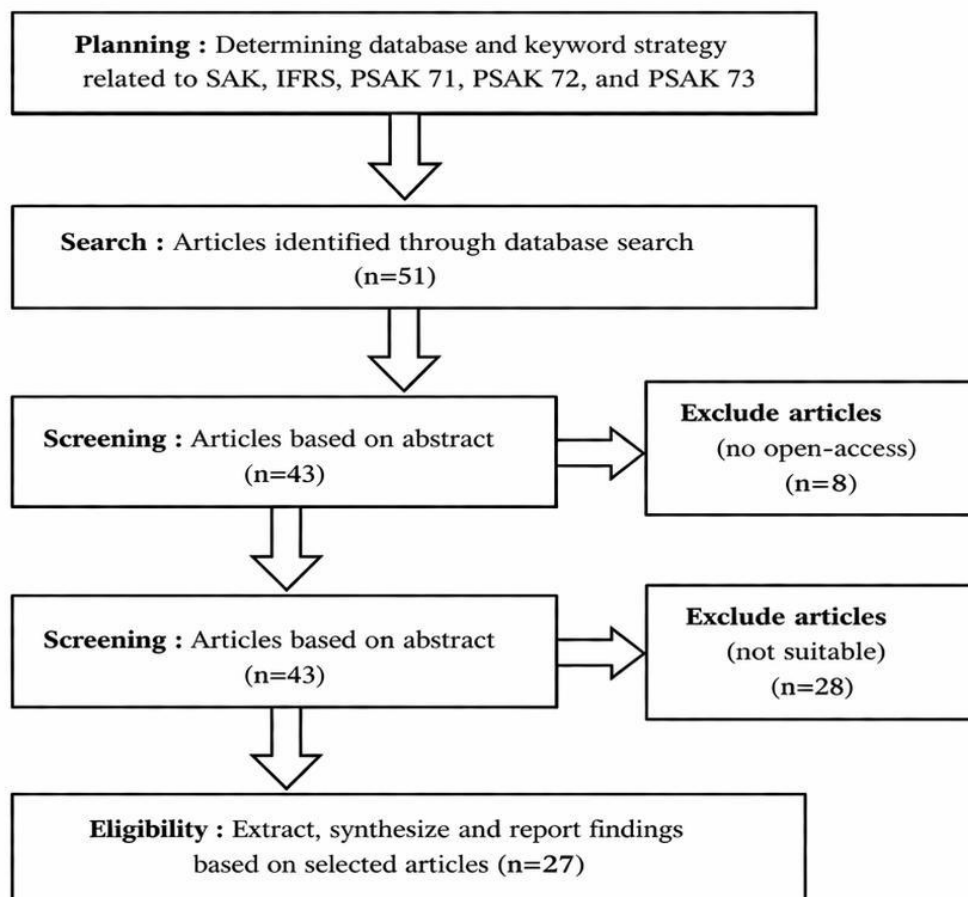
To ensure the quality and relevance of the literature, this study established several inclusion and exclusion criteria. Inclusion criteria include: (a) scientific journal articles that have gone through a peer-review process; (b) research that discusses the development of accounting standards, IFRS convergence, or the implementation of PSAK; (c) studies that analyze the transparency of financial statements, the quality of financial reporting, or the implications for accounting theory; and (d) articles published in English or Indonesian. Meanwhile, exclusion criteria include: (a) articles that are not available in

full text; (b) research that is not directly related to the topic of accounting standards; (c) publication in the form of conference abstracts without a complete methodological explanation; and (d) articles that are duplicated on multiple databases.

The identification (search) stage produced 51 articles obtained from the search process on various academic databases. At this stage, articles that cannot be accessed openly (*no open access*) are deleted, so that as many as 8 articles are excluded from the selection process. After this stage, there are 43 articles left that are then analyzed further.

The screening stage is carried out by examining the title and abstract of the article to ensure its suitability with the research focus on the development of accounting standards and their implications for accounting theory. At this stage, articles that do not directly address the research topic are eliminated. A total of 28 articles were issued because they did not meet the criteria for research relevance.

Table 1. SLR Protocol Information Sources



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The last stage is eligibility, which is an in-depth evaluation of articles that have passed the previous screening stage by reading the entire content of the article. This process aims to assess the quality of the research methodology and its contribution to the discussion of the development of accounting standards and accounting theory. After the final selection process was carried out, 27 articles were obtained that met all the research criteria and were used as the main source in the literature analysis.

Furthermore, the selected articles were analyzed through a qualitative synthesis process by grouping the research findings into several key perspectives related to the development of modern accounting standards, the convergence of IFRS, and their implications for the transparency and quality of financial reporting.

RESULT AND DISCUSSION

Research Results

Classification of journals by Identity, Index, and Number of Journals

In Table 1, the researchers classified the selected journals based on identity, indexing status, and number of articles to ensure the academic credibility, validity, and relevance of the literature used in the study. The journal selection process is carried out systematically by prioritizing internationally reputable and indexed journals to build a strong theoretical and empirical foundation for research. Through a rigorous screening procedure, a total of 27 peer-reviewed articles published between 2018 and 2025 were identified and analyzed based on their relevance to the research topic and their contribution to the current scientific discussion.

Table 1. Journal Identity and Number of Articles

No	Name of Journal / Article	Table of Contents	Quantity	Percentage
1	The influence of IFRS adoption on banks' cost of equity	Scopus Q1	1	3,33%
2	Voluntary IFRS Application: Bibliometric Review	Scopus Q2	1	3,33%
3	Determinants of Voluntary IFRS Application	Scopus Q2	1	3,33%
4	Inward FDI, IFRS Adoption and Institutional Quality	Scopus Q2	1	3,33%
5	Examining the Impact of IFRS Adoption on Financial Reporting Quality	Scopus Q2	1	3,33%

6	Stakeholders' Response to IFRS adoption (Heliyon)	Scopus Q1	1	3,33%
7	IFRS Adoption Research in Indonesia: A SLR	SINTA 2	1	3,33%
8	Value relevance of IFRS 9 adoption	SINTA 2	1	3,33%
9	Has IFRS improved accounting quality in Indonesia	SINTA 2	1	3,33%
10	Indirect effect of IFRS adoption on earnings management	SINTA 2	1	3,33%
11	Value relevance of IFRS adoption in ASEAN-5	SINTA 2	1	3,33%
12	IFRS-based profit management model	SINTA 2	1	3,33%
13	Credit value relevance of earnings after IFRS	SINTA 2	1	3,33%
14	Accounting disclosure based on IPSAS	SINTA 2	1	3,33%
15	Corporate governance and IFRS mandatory disclosure	SINTA 3	1	3,33%
16	IFRS 9 adoption in banking	SINTA 3	1	3,33%
17	Sinergi International Journal of Accounting and Taxation	Googel Scholar	1	3,33%
18	International Journal of Integrative Sciences	Google Scholar	1	3,33%
19	International Journal of Application on Economics and Business	Google Scholar	1	3,33%
20	Business and Accounting Research (IJEBAR)	SINTA 3	1	3,33%
21	Tambusai Education Journal	SINTA 4	1	3,33%
22	Scientific Journal of Midwives (multidisciplinary)	Google Scholar	1	3,33%
23	Journal of Accounting and Investment (JAI)	SINTA 2	1	3,33%
24	Indonesian Accounting and Business Review (RABIN)	SINTA 2	1	3,33%
25	Journal of State Taxation and Finance	SINTA 2	1	3,33%
26	Corporate and Business Strategy Review	Scopus Q3	1	3,33%
27	Sustainability (Switzerland)	Scopus Q1	1	3,33%
28	PSAK 73 and Changes to the Structure of Financial Statements	Google Scholar	1	3,33%
29	Integrated Reporting within ESG Framework	Google Scholar	1	3,33%
30	PSAK 74 Implementation and Conflict of Interest	Google Scholar	1	3,33%

Journal Index Identification

Based on Table 2, it can be seen that the selected articles are spread across several journal index categories, including Scopus indexed journals (Q1 and Q2), and SINTA-

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accredited journals. The classification of articles is presented in detail in the following table.

Table 2. Journal Index

No.	Index	Total	Percentage
1	Q1	3	10%
2	Q2	4	13,33%
3	Q3	1	3,33%
4	SINTA 2	10	33,33%
5	SINTA 3	3	10%
6	SINTA 4	1	3,33%
7	Google Scholar	8	26,67%
	Total	30	100%

The analysis of the distribution of journal indexes in Table 2 shows that journals indexed Q2 represent the largest proportion of publications, accounting for 4 articles or 13.33% of the total. This was followed by journals indexed by SINTA 2 and journals categorized as Other, each contributing 10 articles or 33.33%. Journals indexed Q1 accounted for 3 articles or 10% of the total publications, Journals indexed by SINTA 3 contributed 3 articles or 10%, Journals indexed by SINTA 4 contributed 1 article or 3.33%, Journals indexed by Google Scholar accounted for 8 articles or 26.67% indicating the inclusion of highly reputable international sources. Overall, the distribution reflects a balanced composition between internationally indexed journals, nationally accredited journals, and other scholarly sources that support the research framework.

Dependent Variable

Dependent variables are variables that are influenced by independent variables. This variable is used to measure the extent to which changes in independent variables have an impact on research results, particularly in the context of financial reporting and accounting standards. Based on the 27 articles that have been selected, there are several dependent variables that are identified and classified based on the frequency of their occurrence.

The results of the analysis showed that financial reporting quality was the most dominant variable, appearing in 4 articles (22.22%). This shows that most of the research focuses on the effect of the application of accounting standards, especially IFRS/PSAK, on the quality of the financial information produced.

In addition, earnings management and value relevance appeared in 3 and 4 articles (16.67%), (22.22%), respectively, which showed that these two variables are important concerns in assessing how accounting standards affect management behavior and the usefulness of accounting information for investors.

Furthermore, transparency and accounting quality each appear in 3 articles (16.67%), which emphasize the importance of openness and reliability of information in financial statements. Meanwhile, financial performance only appears in 0 articles (0%), which shows that there is still limited research that directly examines the impact of accounting standards on company performance. The complete distribution of dependent variables is presented in Table 3 below.

Table 3. Dependent Variable

NO	Dependent Variable	Number of Article	Percentage
1	Financial Reporting Quality	4	22,22%
2	Earnings Management	4	22,22%
3	Value Relevance	3	16,67%
4	Transparency	4	22,22%
5	Accounting Quality	3	16,67%
6	Financial Performance	0	0%
	Total	18	100%

Independent Variable

Independent variables are variables that affect or cause changes in dependent variables. In this study, the independent variables used in the 15 selected articles were mostly related to the implementation of accounting standards as well as other supporting factors that affect the results of financial reporting.

Based on the results of the analysis, the most dominant variable was the adoption of IFRS/PSAK, which appeared in 9 articles (60%). This suggests that most of the research focuses on the effect of the application of accounting standards on various aspects of financial reporting. Another independent variable is corporate governance, which appears in 2 articles (13.33%), which shows the important role of corporate governance in increasing the transparency and accountability of financial statements.

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In addition, there are other variables such as institutional quality, firm characteristics, audit quality, and ownership structure which each appeared in 1 article (6.67%). These variables reflect additional factors that can affect the effectiveness of IFRS implementation as well as the quality of the company's financial reporting. The distribution of independent variables is presented in Table 4 below.

Table 4. Independent Variables

NO	Independent Variable	Number of Article	Percentage
1	IFRS / PSAK Adoption	12	66,67%
2	Corporate Governance	2	11,56%
3	Institutional Quality	1	5,56%
4	Firm Characteristics	1	5,56%
5	Audit Quality	1	5,56%
6	Ownership Structure	1	5,56%
	Total	18	100%

Tabel 5. Research Result

Author and Year	Results
(Ahmar Nurmala, Rokhmania Nuraini, 2016), (Anggraeni, 2023), (Johri, 2024), (Firmansyah et al., 2023), (Juanda et al., 2023), (Cieřlik & Hamza, 2022), (Mita et al., 2020), (Yim, 2020), (Sukmawati & Pujiningsih, 2022), (Putri & Ekadjaja, 2023), (Tri Wahyuni et al., 2020), (Tri Wahyuni et al., 2020), (Widiastuti & Safira, 2018), (Kusumastuti & Rahmawati, 2018), (Ningrum et al., 2019), (Kristin & Yandari, 2025), (Prasetyawati et al., 2023), (Ananta et al., 2026), (Azahra et al., 2026)	(+)
(Sinatra et al., 2022), (Natalia Fitria Revini Pranata et al., 2024), (Oktaviyani & Sri, 2024), (Gusneli et al., 2023), (Al-Refiay et al., 2023), (Bathla et al., 2024), (Nguyen & Nguyen, 2023), (Nguyen & Nguyen, 2025), (Sadiqin,	(-)

2025), (Salsabila et al., 2024), (Rindhyanti et al., 2026)	
(+) Positive Effects, (-) Negative Effects	

Discussion

The development of Financial Accounting Standards (SAK) in recent years shows that there are significant dynamics in the modern financial reporting system. These changes not only relate to the technical aspects of recording financial transactions, but also reflect a change in the conceptual approach to the objectives and functions of financial reporting (Johri, 2024). In the context of accounting theory, changes in accounting standards are often understood as a response to changes in the business environment, investor information needs, and the increasing demands for transparency in global financial markets (Sukmawati & Pujiningsih, 2022).

One of the main factors driving the development of accounting standards is the globalization of the economy and the integration of international capital markets. Globalization has caused companies from various countries to operate in an increasingly interconnected business environment, so there is a need for financial reporting standards that can be universally understood by global investors (Nguyen & Nguyen, 2025). In this context, the convergence of national accounting standards with International Financial Reporting Standards (IFRS) is an important step in improving the comparability of financial statements between companies from various countries.

In Indonesia, the convergence of Financial Accounting Standards with IFRS has resulted in various new standards that have brought significant changes in the company's financial reporting system (Yim, 2020). One of the standards that has a big impact is PSAK 71 on financial instruments that replaces the incurred loss approach with the expected credit loss model in the recognition of credit losses (Kristin & Yandari, 2025). The expected credit loss model allows companies to acknowledge potential credit losses from the outset based on an estimate of possible credit risk in the future.

This approach reflects a shift in the financial reporting paradigm from a reactive approach to a more proactive approach in identifying a company's financial risks (Widiastuti & Safira, 2018). From the perspective of accounting theory, the change shows a shift from a historical cost-based reporting system to a reporting system that is more

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oriented towards the future economic value of the company (Johri, 2024). Thus, the financial statements not only describe past financial conditions, but also provide relevant information regarding potential risks and future economic opportunities.

In addition to PSAK 71, significant changes have also occurred through the implementation of PSAK 72 regarding revenue from contracts with customers. The standard introduces a five-step model in revenue recognition that emphasizes on the identification of performance obligations in contracts between companies and customers (Firmansyah et al., 2023). This model replaces the previous simpler approach to revenue recognition, allowing companies to more accurately recognize revenue based on the fulfillment of contractual obligations (Ahmar Nurmala, Rokhmania Nuraini, 2016).

The implementation of PSAK 72 also shows a change in the approach to financial reporting that emphasizes more on the economic substance of transactions than on its legal form (Mita et al., 2020). This principle is in line with the concept of substance over form in accounting theory which states that the recording of financial transactions must reflect the actual economic reality (Johri, 2024). Thus, the change in standards shows the strengthening of conceptual principles in the modern financial reporting system.

Another change can be seen in the implementation of PSAK 73 on lease which requires companies to recognize almost all lease transactions as lease assets and lease liabilities in the financial position statement (Sukmawati & Pujiningsih, 2022). Prior to the implementation of this standard, many lease transactions were classified as operating leases so they were not recorded in the company's balance sheet. This causes information about the company's financial obligations to be less transparent for users of financial statements (Nguyen & Nguyen, 2023).

With PSAK 73, the transparency of financial statements has increased because all of the company's lease obligations are now reflected in the financial position statement (Ananta et al., 2026). These changes show that modern accounting standards increasingly emphasize the principles of transparency and accountability in corporate financial reporting (Johri, 2024). In addition, the change also shows that accounting standards not only serve as technical guidelines for recording transactions, but also as an instrument to improve the quality of information available to users of financial statements.

Nonetheless, some academics argue that some of the changes in accounting standards are still technical and do not fully reflect paradigm shifts in accounting theory (Nguyen & Nguyen, 2025). For example, many accounting standards still maintain basic principles that have long been used in financial reporting systems such as the accrual basis concept, the going concern concept, and the matching principle between income and expenses.

In addition, the process of preparing accounting standards is also often influenced by political and regulatory factors that can affect the direction of development of these standards. Several studies show that the preparation of accounting standards is not only based on theoretical considerations, but is also influenced by the interests of various stakeholder groups such as regulators, large corporations, and capital markets (Sukmawati & Pujiningsih, 2022).

Therefore, the development of modern accounting standards can be understood as the result of the interaction between the development of accounting theory, the needs of business practices, and regulatory dynamics in the global economic system. In this context, the change in accounting standards cannot be seen solely as a technical change or a full-scale paradigm shift, but rather as an evolutionary process that combines both aspects (Juanda et al., 2023).

Thus, the latest developments in SAK show that the financial reporting system continues to undergo adjustments to meet the increasingly complex information needs of financial statement users (Cieślik & Hamza, 2022). The changes reflect efforts to improve the transparency, relevance, and quality of financial information presented by companies in an increasingly dynamic business environment.

Conceptually, the change in modern accounting standards reflects a paradigm shift from a historical cost-based approach to a fair value-based and forward-looking information approach. This shift suggests that financial statements no longer only serve as historical records, but also as predictive tools that provide information regarding the future economic prospects of companies.

However, the use of fair value also poses new challenges, especially related to the reliability of measurements and the potential for subjectivity in value estimation. This opens up room for more complex profit management practices, especially in inefficient or illiquid market conditions (Al-Refiay et al., 2023).

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On the other hand, empirical research shows that the application of IFRS in general improves the quality of accounting information, particularly in terms of relevance and transparency. However, this increase is often accompanied by an increase in the complexity of financial reporting that demands a higher level of professionalism from accountants and auditors (Prasetyawati et al., 2023).

Furthermore, recent developments in accounting standards show integration with sustainability reporting through the implementation of IFRS S1 and IFRS S2. The standard emphasizes the importance of disclosure of environmental, social, and governance (ESG) related risks and opportunities, which are increasingly relevant in long-term investment decision-making. This shows that modern accounting is no longer limited to financial information, but also includes non-financial dimensions that have significant implications for the value of the company (Zaki & Zaki, 2026).

Empirically, the implementation of IFRS in Indonesia has shown a positive impact on the quality of financial statements, especially in increasing the relevance of the value of accounting information used by investors in investment decision-making (Firmansyah et al., 2023). This shows that IFRS-based standards are able to increase the usefulness of financial statements as a tool for evaluating company performance.

However, the improvement in quality is also accompanied by increased complexity in the preparation of financial statements. This complexity arises because IFRS emphasizes the use of professional estimation and judgment in accounting measurements, which ultimately increases the need for higher technical competence of accountants and auditors (Gusneli et al., 2023).

In addition, IFRS has also been proven to contribute to increased transparency and corporate governance, as this standard requires broader disclosure of information related to the company's financial risks and performance (Anggraeni, 2023). Thus, IFRS not only plays a role in improving the quality of financial statements, but also in strengthening the corporate governance mechanism in the company.

However, the results show that the impact of IFRS on the quality of financial reporting is not always consistent, as it is influenced by various factors such as the quality of institutions, legal systems, and the level of capital market supervision (Natalia Fitria

Revini Pranata et al., 2024). Therefore, the implementation of IFRS needs to be supported by a strong institutional environment in order to provide optimal benefits.

The development of IFRS-based accounting standards shows that the quality of financial reporting is not only influenced by changes in standards, but also by how those standards are implemented in practice. Empirical research shows that the adoption of IFRS in Indonesia in general is able to improve the quality of accounting information, especially in the aspect of relevance and reliability of information presented to users of financial statements (Prasetyawati et al., 2023). This shows that IFRS plays a role in increasing the usefulness of financial statements as a basis for economic decision-making.

In addition, the development of modern accounting standards also shows an increasing role of professionalism in accounting practice, where accountants act not only as record keepers of transactions, but also as analysts and appraisers of complex financial information. This requires increased competence and a deep understanding of the applicable standards (Gusneli et al., 2023).

On the other hand, the complexity of accounting standards can also pose challenges in terms of financial statement readability, especially for users who don't have a strong accounting background. Therefore, efforts are needed to improve financial literacy so that the information presented can be used optimally.

In addition, the implementation of IFRS also contributes to improving the quality of corporate governance, because the standard encourages transparency and accountability in financial reporting (Anggraeni, 2023).

However, the flexibility in IFRS can also open up opportunities for management to make subjective judgments, potentially leading to profit management practices. This shows that good standards still require effective supervision to ensure that their implementation runs according to the expected objectives (Sinatra et al., 2022).

Further, the integration between financial reporting and sustainability reporting shows that modern accounting is increasingly evolving in a broader direction, covering not only financial aspects but also social and environmental aspects. This reflects a paradigm shift in accounting that is increasingly sustainability-oriented (Zaki & Zaki, 2026).

However, such quality improvements are not always followed by increased consistency of research results. Some studies have shown that IFRS can also increase

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flexibility in the use of accounting estimates, which can potentially be leveraged by management to conduct profit management practices (Sinatra et al., 2022). This condition shows that IFRS does not completely eliminate the opportunity for accounting manipulation, but rather changes the form and mechanism of the practice.

In addition, recent research has also shown that IFRS does not always have a significant influence on profit management in all corporate contexts. In some sectors, such as insurance companies, the application of IFRS has not been shown to significantly affect profit management practices, suggesting that other factors such as corporate governance and ownership structures also play an important role (Oktaviyani & Sri, 2024).

On the other hand, IFRS has been shown to have a positive impact on increasing investor confidence, which is reflected in the increase in foreign ownership in companies that implement the standard. This shows that IFRS has a strategic role in increasing the credibility of financial statements in the eyes of global investors.

However, the increase in transparency is also accompanied by the increasing complexity of financial statements. Research shows that IFRS-based financial statements tend to be more difficult for users to understand due to the increasing number of disclosures and the complexity of the information presented (Putri & Ekadjaja, 2023). This poses new challenges in terms of the readability of financial statements and the need for a higher level of financial literacy from financial report users.

Globally, the adoption of IFRS has also shown mixed results, with some countries experiencing improved quality of financial reporting, while others face challenges in implementing the standard (Salsabila et al., 2024). This difference shows that the success of IFRS is highly dependent on the institutional conditions, legal systems, and level of human resource readiness in each country.

Thus, the development of modern accounting standards can be understood as a complex and multidimensional process, which involves not only technical changes in recording methods, but also changes in economic systems, regulations, and user behavior of financial statements. Therefore, the evaluation of IFRS cannot be done simply, but must consider various contextual factors that affect implementation and its impact on the quality of financial reporting.

CONCLUSION AND SUGGESTIONS

Conclusion

The development of Financial Accounting Standards shows that the financial reporting system continues to evolve in response to changing business environments and the information needs of stakeholders. The convergence with IFRS carried out by the Indonesian Institute of Accountants has encouraged the improvement of the quality of corporate financial reporting in Indonesia.

The results show that the latest development of SAK not only reflects technical changes in the method of recording financial transactions, but also shows a change in the orientation of financial reporting that increasingly emphasizes transparency, relevance of information, and the needs of investors in economic decision-making. Thus, the development of SAK can be understood as a combination of a change in the conceptual paradigm in accounting theory and a technical adjustment to global economic dynamics.

Suggestions

Based on the results of this study, it is suggested that further research can conduct an empirical analysis of the impact of the implementation of the latest accounting standards on the quality of corporate financial statements in Indonesia. In addition, regulators and standard-makers are expected to continue to evaluate the implementation of accounting standards to ensure that these standards are able to increase the transparency and relevance of financial information for users of financial statements

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