

# WAKE UP CALL

Insights and perspectives from RSM Indonesia

QUARTER IV - 2025

Welcome to issue 75 of Wake Up Call  
RSM Indonesia's quarterly insights on regulation, governance,  
and the evolving business environment

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# Navigating the New Landscape of Group Audits: A Management Guide to SA 600 (Revised)

EDWARD B. HUTAJULU & TYAS WIDYANTI, AUDIT PRACTICE

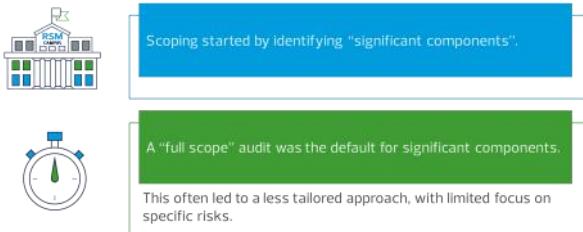
## Introduction: A Strategic Shift in Group Audit Oversight

The revised Standard on Auditing (SA) 600 marks a significant shift in how complex, multi-entity business groups are audited. This revision goes beyond a technical update for auditors; it fundamentally reshapes expectations for group management, boards, and corporate governance.

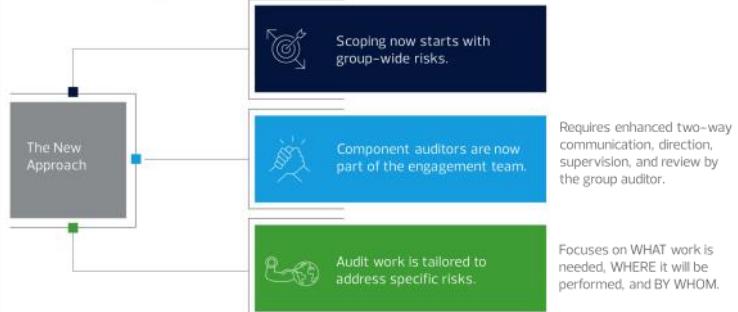
Under SA 600 (Revised), group audits are designed to be risk-based, coordinated, and driven from the center. As a result, management and boards should expect deeper engagement, greater transparency, and more structured dialogue throughout the audit process.

Here is what Boards and Executive teams need to know about the strategic implications of SA 600 (Revised):

### The Old Approach: Component-Centric



### The New Approach: Risk-Based & Proactive



### Philosophical Shifts: Old VS New (SA 600 Revised)

Feature	Old Approach	New Risk-Based Approach
Primary Focus	Financial size of components	Group-wide Risk of Material Misstatement (RoMM)
Scoping Method	Identify "significant components" first	Determine audit procedures to address assessed RoMM
Component Auditor Role	Often worked separately on a defined scope	Fully integrated into the group engagement team

## The Core Shift: What SA 600 (Revised) Means for Group Management

The most critical change introduced by SA 600 (Revised) is that the Group Engagement Partner is fully accountable for the group audit opinion, regardless of the extent of work performed by component (subsidiary) auditors.

Implications for Management include:

- Unrestricted Access (Non-Negotiable)**  
Prior to the engagement, management must agree to provide unrestricted access to people, information, and documentation across all group entities (Par. 19).
- Centralized Direction**  
Group auditors will drive audit strategy at the group level. Local entities should expect instructions aligned with a coordinated, group-wide audit plan rather than operating independently.

## Strengthening the Chain: Why Communication with Component Auditors is Critical

SA 600 (Revised) requires structured, two-way communication between group auditors and component auditors. Management plays a critical role in enabling this communication.

- **Early Alignment**

Component CFOs and controllers should be briefed early on the new expectations. A group-wide audit kick-off meeting is strongly recommended.

- **Top-Down Information Flow**

Group management must proactively cascade information on related-party transactions, going concern considerations, fraud risks, and group-wide risk areas to ensure audit focus is aligned.

## Risk-Based Audits as a Governance Tool

SA 600 (Revised) enforces a rigorous risk-based audit approach, concentrating audit effort where the risk of material misstatement is highest.

Management should anticipate:

- Increased scrutiny over recently acquired or reorganized entities
- Focus on complex or non-routine transactions
- Heightened attention on areas identified in Appendix 3 of the standard

The group consolidation process is explicitly identified as a key risk area. Group auditors are required to perform specific procedures to evaluate the appropriateness, completeness, and accuracy of consolidation adjustments, reclassifications, and inter company eliminations (Par. 38, A141).

This approach offers management a strategic opportunity: by understanding audit focus areas, internal risk assessment and control monitoring processes can be better aligned.

## From Audit to Governance: Enhancing Transparency with the Board

SA 600 (Revised) strengthens audit committee oversight by expanding required communications between auditors and the board.

Communication to the Board	Governance Value
Summary of planned audit work and group auditor involvement (Par. 57a).	Provides a clear, top-down view of audit scope and risk focus.
Concerns regarding component auditor quality (Par. 57b).	Enables oversight of audit quality across jurisdictions.
Restrictions or access limitations encountered (Par. 57c).	Flags potential control weaknesses or operational barriers.
Identified or suspected fraud involving management (Par. 57d).	Ensures timely board awareness of integrity risks.



## Management's Preparation Checklist for SA 600 (Revised)

To ensure a smooth transition, management should:

- Establish a formal “access-all-areas” audit protocol
- Brief subsidiary leadership on transparency and cooperation expectations
- Clearly document the rationale for consolidation adjustments
- Identify and prepare documentation for high-risk areas
- Prepare the board with a briefing on scope and expected audit focus

By embracing these changes, organizations can turn compliance with SA 600 (Revised) into a catalyst for stronger financial discipline and governance.



For further information,  
please contact :[inquiry@rsm.id](mailto:inquiry@rsm.id)

## RSM INDONESIA PUBLICATIONS

We issued 2 Client Alert publications during 4<sup>th</sup> quarter of 2025.

- Government-Borne Article 21 Income Tax Scope Expansion and Updates
- Year End Tax Reminders

Click [here](#) to read more on our publication – Client Alert



## RSM INSIGHT



After a period of fluctuation in interest rates, things are starting to stabilise. With this renewed sense of optimism, deal activity is starting to pick up again.

[READ THE FULL ARTICLE ON OUR WEBSITE](#)

Is the real estate industry turning a corner? As conditions stabilise, M&A activity is gaining momentum and sentiment is shifting toward cautious optimism.

Key insights from our latest analysis:

- Transaction activity is rising as interest rates stabilise.
- Logistics, retail parks and student accommodation remain high-growth sectors.
- Family offices, pension funds and domestic investors continue to drive deal flow.

Looking ahead to 2026, the market appears well positioned to return to previous transaction levels.

Read our insights report [here](#).

2025 M&A trends in the real estate industry

Vidar Haugen

Partner, Norway



# The Global Minimum Tax: A Double-Edged Sword for Developing Countries

ICHWAN SUKARDI & T QIVI HADY DAHOLI, TAX PRACTICE

The Global Minimum Tax (GMT) forms a central pillar of the OECD/G20 BEPS 2.0 initiative under Pillar Two. It is designed to ensure that multinational enterprises (MNEs) pay a minimum effective tax rate of 15% in every jurisdiction in which they operate.

While widely recognized as a step toward improving global tax fairness, GMT presents complex implications for developing economies such as Indonesia—offering both opportunities and structural challenges.

For many developing countries, GMT creates the potential for increased tax revenue by limiting profit shifting to low-tax jurisdictions. This strengthens fiscal capacity and supports public investment.

However, these benefits are accompanied by significant policy trade-offs. Traditional tax incentives—such as tax holidays—lose effectiveness under GMT, as MNEs may still be subject to top-up taxes if their effective tax rate falls below the minimum threshold.

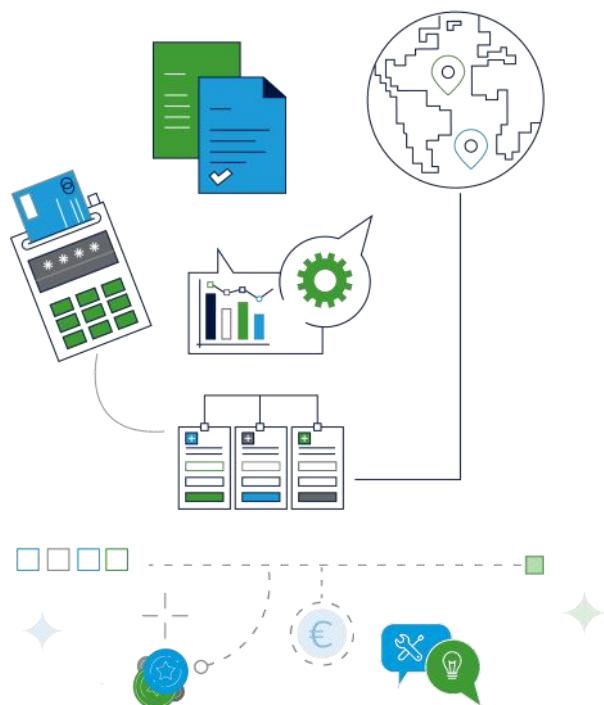
GMT implementation also presents administrative challenges. Its complexity requires advanced tax administration systems, skilled human resources, reliable data infrastructure, and effective dispute resolution mechanisms—particularly during early implementation phases.

As a G20 member and a key emerging economy, Indonesia has historically relied on fiscal incentives to attract foreign direct investment. The issuance of Ministry of Finance Decrees No. 69 and 136 of 2024 establishes the domestic legal framework for Pillar Two implementation and its interaction with existing incentive regimes.

To remain competitive, Indonesia may need to shift its investment strategy away from tax-based incentives toward substance-driven policies—such as infrastructure development, workforce capability, regulatory efficiency, and legal certainty.

## Conclusion

GMT represents a transformative shift in international tax architecture. For developing economies, it presents an opportunity to enhance revenue while challenging established investment strategies. With careful policy design, institutional readiness, and international coordination, GMT can serve not only as a compliance mechanism but also as a driver of sustainable and equitable economic growth.



For further information, please contact : [inquiry@rsm.id](mailto:inquiry@rsm.id)

# OUR ACTIVITIES

## RSM WORLD DAY 2025

On 4 December 2025, RSM Indonesia celebrated RSM World Day, a global occasion where our network across 120 countries came together under the theme Time to Give Back. Reflecting RSM's core value of Caring and our commitment to supporting communities.

The celebration in Indonesia was marked by a blood donation drive in collaboration with the Indonesian Red Cross (PMI), contributing to meaningful impact for those in need.



## RSM INDONESIA WEBINAR

During the fourth quarter, we successfully hosted a several webinars addressing current issues with significant implications for businesses and industries. Our professionals shared comprehensive insights on a range of key topics, including tax dispute matters, recent developments and updates on the use of Coretax, VAT updates, as well as economic and taxation outlooks for 2026.

Recordings of our previous webinars are available on our official YouTube channel. Please stay tuned for further information on our upcoming webinar sessions in 2026!



# INDONESIA FACTS

## RAFFLESIA HASSELTII – natural heritage of Sumatra



Rafflesia hasseltii is a rare parasitic flowering plant native to northern and central Sumatra. The flower typically measures 30–60 cm in diameter, smaller than Rafflesia arnoldii, which can exceed 100 cm. The species lacks roots, stems, and leaves, and depends entirely on its host plant, *Tetrastigma* spp., for nutrients and water.

In Indonesia, Rafflesia hasseltii is a legally protected species. Its populations are threatened mainly by habitat loss, forest fragmentation, and the decline of host plants, making intact forest ecosystems essential for its survival.

## OUR ACTIVITIES

AAJ ANNUAL PARTY 2025

Our Annual Party in 2025 was held under the theme "**Ruby Beats**", celebrating 40 Years in Every Beat as a special milestone for RSM Indonesia's 40th anniversary.

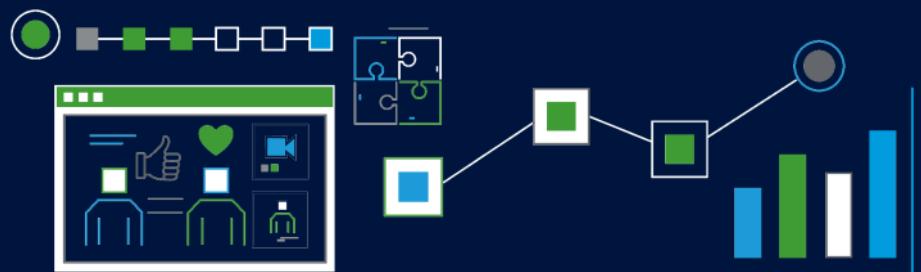
As tradition continues, the night began with our National Anthem, Indonesia Raya, followed by a speech from our Chief Executive Partner, Amir Abadi Jusuf. The celebration was filled with energy and excitement, from group performance competitions to thrilling lucky draws, an even more special grand prize this year, and awards recognizing our outstanding people.

A featured DJ performance brought vibrant beats that elevated the atmosphere throughout the night. More than just a party, this event marked a meaningful milestone to reflect on our journey and achievements over the past 40 years—celebrating how far RSM Indonesia has grown and progressed as a firm.



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Thank you  
for reading



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#### RSM INDONESIA

Plaza ASIA Level 10  
Jalan Jendral Sudirman Kav. 59  
Jakarta 12190 Indonesia

[www.rsm.id](http://www.rsm.id)

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