

THE CRAZY RICH PHENOMENON IN THE AIRLINE INDUSTRY: THE ACCOUNTANT'S PERSPECTIVE BASED ON IFRS 16

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Abstract

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This study aims to find out how the perspective of accountants in Indonesia on their knowledge of the International Financial Reporting Standards (IFRS) 16 which related to the recognition of ownership of private jets rented by Indonesian “crazy rich”. The respondents of this study were accountants in Indonesia with a total of 222 people consisting of 84 registered accountants who were members of professional accounting bodies such as the Indonesian Accountant Association, Institute of Indonesian Public Accountants, and Institute of Indonesia Management Accountants, and 138 accountants who were not registered. The data analysis method is using a different test (t-test) using the assumption of equal variance assumed and not assumed to see significant differences between the two categories of accountants regarding the perspective of recognizing leased assets. The results show that both categories of accountants have the same perspective for approving the recognition of private jets as assets because they are high-value assets even though the lease period is less than or equal to 12 months and agreeing to be part of business operations that increase revenue. Accounting standards for leases guide lessees to categorize them as finance leases that recognize right-of-use assets, lease liabilities, interest, and depreciation costs. Reports that use finance leases will change profitability and debt-to-equity ratios. By understanding the latest standards, accountants will react appropriately in relation to the existing phenomena. This research provides added value and general lessons for parties with an interest in business and especially for accountants that learning the latest standards is very important in order to be able to scientifically respond to social phenomena that occur around us.

Keywords: IFRS 16, Financial Lease, Operating Lease, Registered Accountant

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1. INTRODUCTION

The term “crazy rich” has been popular since Kevin Kwan wrote a novel in 2013 and was filmed in 2018 under the title “Crazy Rich Asian”. Since then, in

the middle of the rise of social media, especially Instagram, the title “Crazy Rich” has been assigned to rich people in Indonesia, either by Indonesian netizens or intentionally created by crazy rich himself through his image and success team on

social media, call it *Crazy Rich Tanjung Priok, Medan, Bandung, Malang, Surabaya, Pantai Indah Kapuk*, and so on. There is no specific definition of crazy rich, in general people who are nicknamed "crazy rich" are people who are super rich and often use branded goods, and are active on social media, especially Instagram and YouTube. Some crazy rich often show using private jets for flights both domestically and abroad and give confidence that the private jet is theirs, for example by putting their company logo or name on the fuselage, even openly showing that the private jet was given as a gift for their partners. However, it was later revealed that the private jet they had shown so far was only a form of rental cooperation.

Leases in accounting are regulated by International Financial Reporting Standard (IFRS) 16, which is effective in Indonesia on January 1, 2020, where previously the accounting for leases was regulated in the Statement of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan — PSAK*) 30, which was valid on January 1, 2012, until December 31, 2019. PSAK 30 is already based on IFRS but has significant differences even though both carry the spirit that from the lessee's perspective, financial lease accounting is used. In IFRS 16, the criteria for becoming a financial lease are easier than the previous standard because as long as the leased asset is not a low-value asset and the lease term is less than or equal to 12 months, the company must recognize it as a financial lease where the lessee will recognize assets, lease payable, interest expense, and depreciation. Using the latest standard, de Faria Olivo et al. (2022) stated that by using a financial lease in IFRS 16, the value of companies in Toronto, London, and Sydney Stock Exchanges was affected by this implementation. Susanti et al. (2021) stated that the return on assets (ROA), solvency ratio, and efficiency ratio as measurements of company value decreased with the implementation of IFRS 16 but the return on equity (ROE) and liquidity ratio increased. Also, Veverková (2019) stated that IFRS 16 has a material impact on income statements and statements of financial position in terms of leverage and return ratio. The phenomenon that is happening right now is that the crazy rich recognize the assets they rent. It is possible that the views of the public and accountants will differ in this matter because accountants have knowledge of the rental standard in which the crazy rich may recognize leased assets as their assets.

This article will explore how the accountant's view of the crazy rich's rental asset recognition refers to IFRS 16. The accountants in this study consist of professional accountants who are members of one or more of the three professional accounting bodies and groups of accountants who are not affiliated with one of the three accounting bodies. This study will answer three research questions from the accountant's perspective, namely:

RQ1: What is the accountant's perspective regarding the recognition of private jet assets for lease periods of less than 12 months?

RQ2: What is the accountant's perspective regarding the recognition of private jet rental assets because they are high-value assets?

RQ3: What is the accountant's perspective on private jet rental assets that are recognized in the statement of financial position because they are part of operations to generate income?

This research is important because it is related to current social phenomena and the current accounting standards related to leases as outlined in IFRS 16 or PSAK 73 in Indonesia. This research focuses on the crazy rich phenomenon, which recognizes leased assets in the form of aircraft jets seen from the perspective of an accountant based on the rental accounting standard, namely PSAK 73.

The structure of this article consists of Section 1, which is an introduction that explains the recent phenomena related to crazy rich. Section 2 is a conceptual framework and hypotheses development where the conceptual framework consists of an explanation of the latest IFRS 16 standard and its differences from previous standards and its relation to recent phenomena. Meanwhile, the development of the hypotheses explains how the previous literature is related to the research objective, namely how the accountant's perspective on the recognition of rental assets carried out by crazy rich even though similar research has not yet been found. Section 3 consists of a research methodology that explains how data is collected, definitions of professional accountants, categories of leases under 12 months, definitions of high value assets and leased assets used in operations and discusses how the data will be analyzed. Section 4 explains the number of professional accountant respondents, discusses the results of research data processing, and provides the results of the three research hypotheses. Section 5 contains the conclusion, implications, and limitations.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

2.1. Conceptual framework

IFRS 16 (Leases) was adopted in Indonesia through PSAK 73 (Leases) which became effective on January 1, 2020. The company, when it first entered into a lease contract, must identify whether the contract entered into actually contains a lease or not, because if it does not contain a lease, then the accounting standards used will also be different, for example, IFRS 15, relating to revenue from contracts with customers. A contract contains a lease if there is a right to control an identified asset for a specified period of time and there is a payment of consideration in it. IFRS 16 emphasizes the lessee to use a finance lease compared to an operating lease where the accounting treatment for this type of finance lease will recognize right-of-use assets, lease liabilities, interest costs, and depreciation as if the company purchased the asset in installments over a certain period of time. Meanwhile, for operating leases, the accounting treatment only recognizes rental costs. The default type of lease from the lessee's perspective is a finance lease unless it meets two criteria, namely 1) low-value assets and 2) short-lease term, which is less than or equal to 12 months. PSAK 73 states that low-value assets consist of compact office equipment, personal computers, laptops, and telephones while IFRS 16 states that assets are low value if their value is below or equal to USD5,000. This is one of the differences regarding low-value assets between PSAK 73 and IFRS 16, where PSAK 73 does not adopt this amount criterion.

The implementation of IFRS 16 in the financial statements in Indonesia began on January 1, 2020, retrospectively, which means it is as if the implementation of IFRS 16 has been carried out in previous years for leases that are still valid from the year before 2020 to the present, thus adjustments will be made to profits retained early 2020 and restated the financial statements of the previous two years, if using a modified retrospective then the adjustment was only in retained earnings at the beginning of the year without restating the previous year's financial statements. In addition, the impact of implementing IFRS 16 will increase the estimated right-of-use assets on the asset side, lease liabilities on the liability side, interest costs, and amortization costs in the income statement whereas if using an operating lease it only recognizes rental costs. The impact on these financial statements will affect financial statement ratios, especially the debt-to-equity ratio where the ratio will increase along with the addition of lease liabilities, for liquidity or solvency ratios tend to be the same because the addition of right-of-use assets will be accompanied by additional lease liabilities with relatively the same amount initially. Yu (2019) stated that the weakness of an off-balance operating lease disappears with the implementation of a finance lease in IFRS 16 because this standard displays the right use of assets and liabilities. Susanti et al. (2021) stated that the ROE and liquidity ratio were increased in airline company in Indonesia during 2020 when implementing IFRS 16, while the ROA, solvency ratio, and efficiency ratio were decreased. De Faria Olivo et al. (2022) stated that the implementation of IFRS 16 had a significant effect on firm value. Many airline companies use return on capital employed (ROCE) to measure the value generated. Using IFRS 16 will most likely affect the ROCE (PricewaterhouseCoopers [PwC], 2016). In contrast to financial ratios, Khersiat (2020) stated that there is no effect on accounting conservatism by adopting or not adopting IFRS 16. The significant impact of implementing IFRS 16 is a challenge for professional accountants to understand the treatment of lease accounting either as practitioners, academics, or decision-makers in companies.

The difference between PSAK 73 (adoption from IFRS 16) and PSAK 30 (adoption from International Accounting Standard (IAS) 17) is quite significant where the definition of a lease according to PSAK 30 is a substantial transfer of the risks and rewards of ownership of an asset where ownership rights at the end of the lease term may or may not be transferred. At least one criterion is met in PSAK 30 in determining a finance lease, so the type of lease is already a finance lease. The criteria are that if the lease transfers ownership of the asset to the lessee at the end of the lease term, the lessee has the option to purchase the leased asset at a price that is estimated to be low enough compared to the fair value at the end of the lease term so that it can be ascertained that the lease option will be exercised. Also, the lease term is greater than half the useful life of the leased asset. When the lease contract is first signed, the present value of the lease payments approximates the fair value of the leased asset, and the leased asset is specific so that only the lessee can use it without making significant modifications.

Professional accountants are state-registered accountants based on the Regulation of the Minister of Finance number 216/PMK.01/2017¹. To become a registered accountant, a person must meet the requirements, namely certified accountant by accounting professional associations such as the Institute of Indonesia Chartered Accountants (*Ikatan Akuntan Indonesia* — IAI), the Indonesian Institute of Certified Public Accountants (*Institut Akuntan Publik Indonesia* — IAPI) and the Indonesian Institute of Management Accountants (*Institut Akuntan Manajemen Indonesia* — IAMI) and become a member of one of these associations. In addition, a person must also have at least three years of practical experience and have a taxpayer identification number.

2.2. Hypotheses development

Previous research with a similar topic has not been found so the researcher will develop hypotheses based on existing theories, as well as previous research on IFRS 16. Based on the reference in IFRS 16, the requirement to become a finance lease is a lease contract that is not less than or equal to 12 months and is not a low-value asset. Private jets that are rented even though they are under 12 months are included in the category of finance leases because they do not meet the two criteria as operating leases above, so the accountant's perspective should agree with what Indonesian crazy rich has done by recognizing it as an asset for a private jet lease because it meets the criteria as a finance lease.

There has been no previous research on the accountant's perspective regarding agreeing with the provision that leased assets under 12 months will still be recognized as assets with recognition of the right use of assets. Alabood et al. (2019) state that the adoption of IFRS 16 has changed management's view of leasing, as well as accountants who agree that even though a private jet lease is less than 12 months it can still be recognized as an asset.

Registered accountants who are members of IAI or IAPI, or IAMI must fulfill the Participation Credit Unit (*Satuan Kredit Partisipasi* — SKP) which is 40 SKP annually. Every 50 minutes of participating in training and the like will get 1 SKP. This provision makes registered accountants must actively participate in some kind of education or training related to the world of accounting which includes the latest updated accounting standards. With this background, registered accountants should have a perspective, namely agreeing with what Indonesian crazy rich has done to recognize private jets as assets, even though the lease period of 12 months between registered and unregistered accountants is different. Thus, the proposed hypothesis is:

H1: Registered accountants agree with what Indonesian crazy rich has done to recognize private jets as an asset even though the lease period of 12 months while unregistered accountants disagree.

The second hypothesis was also developed by the researcher himself because there were no similar studies. Under IFRS 16, the conditions for becoming an operating lease are contracts whose lease terms are less than or equal to 12 months and not

¹ <https://peraturan.bpk.go.id/Details/112974/pmk-no-216pmk012017>

low-value assets, such as compact office equipment, personal computers, laptops, and telephones. Private jets are high-value assets so they are included in the category of finance leases, therefore the accountant's perspective should agree with what crazy rich Indonesia has done by recognizing it as an asset for private jet leases because it is a finance lease. There has been no previous research on the accountant's perspective regarding agreeing with the provision that high-value leased assets will be recognized as right-of-use assets. Öztürk (2022) stated that with the adoption of IFRS 16, the company's liquidity and solvency ratio will increase due to an increase in asset value.

Similarly with the development of the first hypothesis, where professional accountants should have sufficient knowledge about new standard of lease, the second proposed hypothesis is:

H2: Registered accountants agree with what crazy rich Indonesia has done to recognize private jets as assets because they meet the criteria as finance leases while unregistered accountants disagree.

One of the backgrounds of the emergence of IFRS 16 is where there is a concern to recognize leased assets as company assets that will appear in the financial statements because in the previous standard, namely IAS 30 or PSAK 30 in Indonesia, most lease contracts will meet the criteria as leases. operations because the criteria for a finance lease are quite difficult to meet. IAS 30 prior to 2012 adhered to the rule-based concept where to become a finance lease all of the criteria must be met, namely:

- 1) the lease term must be greater than or equal to 75% of the asset's useful life;
- 2) the present value of lease payments must be greater or equal to 90% of the fair value of the asset;
- 3) the existence of options;
- 4) the contract cannot be canceled;
- 5) the transfer of rights and benefits from the lessee to the lessee.

The clause that must meet all of these criteria is considered quite difficult for a lease contract to qualify as a finance lease and therefore be recognized as an operating lease. The accounting treatment for operating leases only recognizes rental expenses and is criticized by many analysts because, for example, an airline does not have aircraft in its balance sheet because all contracts do not meet the criteria as finance leases even though the form of the contract is a lease, the aircraft leased by an airline is an essential asset that can move income and should be included as one of the elements of calculating the company's financial ratios. From this background, the criteria for finance leases in IFRS 16 have accommodated the shortcomings in IAS 17 where the default lease category in IFRS 16 is finance leases. Therefore, the accountant's perspective should agree with what crazy rich Indonesia has done by recognizing it as an asset for private jet leases. because it can increase revenue and their brand image as an influencer on social media.

The third hypothesis proposed in this study is as follows:

H3: Registered accountants agree with what crazy rich Indonesia has done to recognize private jets as an asset because it can increase their income and their brand image as influencers on social media while unregistered accountants disagree.

3. RESEARCH METHODOLOGY

3.1. Method and the approach of research

This research uses quantitative research methods that provide empirical evidence from the perspective of accountants through the interpretation of statistical data using the latest EViews tool. It uses an explanatory research approach and uses a population and sample of accountants in Indonesia. The accountant's perspective becomes primary data where the primary data is data that is directly obtained from the source and given to data collectors or researchers. Primary data are collected using a questionnaire. Accountants are divided into two categories, namely registered and unregistered accountants where there is no dependence between the two, so that they are mutually independent. If the independent variables have 2 categories, then the statistical test that is suitable for use is the t-test of differences.

3.2. Data collection

This study uses purposive sampling for sampling where the population is registered and unregistered accountants. A registered accountant is an accountant who is a member of the IAI, IAPI, and IAMI professional associations which are also known as professional accountants. Questionnaires were distributed during the webinar related to IFRS 16 on April 9, 2022. The questionnaire scale used was ratio scale data consisting of points 1 = "Disagree" and 2 = "Agree". If the respondent chooses to agree, it will get higher points because, based on IFRS 16, the answer that should be chosen is "Agree". Processed data is primary data because it is responded to directly by respondents through questionnaires. For the category of registered and unregistered accountants, those are nominal data.

3.3. Definition of the variables

3.3.1. Professional accountants

Respondents are divided into two categories, namely the category of registered accountants who are members of IAI, IAPI, and IAMI, who are referred to as professional accountants, and the category of unregistered accountants. The data obtained are nominal scale data, namely 1) unregistered accountants and 2) registered accountants.

3.3.2. Variable of category ≤ 12 months

This variable is a statement to determine whether the accountant agrees or disagrees with one of the operating lease criteria, namely the short-term lease period, which is less than or equal to 12 months. If a lease contract is a short-term lease but the leased asset is of high value, then the criteria for the lease is a finance lease. The accountant's perspective is measured by a ratio scale, namely the point of "1" if you disagree and the point of "2" if you agree. The question posed is whether the accountant agrees or disagrees with what crazy rich Indonesia has done to recognize a private jet as an asset even if the lease term is less than or equal to 12 months. If the respondent chooses to agree, it will get higher points because based on IFRS 16 the answer that should be chosen is "Agree".

3.3.4. Variable of category high-value asset

This variable is a statement to find out whether the accountant agrees or disagrees with one of the criteria for a finance lease where according to IFRS 16 high-value assets are assets whose value is USD5,000 but this is not adopted in PSAK 73, so it is not used as a basis for viewing the accountant's perspective. High-value assets, according to PSAK 73, are assets that are not compact office equipment, telephones, laptops, and personal computers. The accountant's perspective is measured by a ratio scale, with a point of "1" if you disagree and a point of "2" if you agree. The question posed is whether the accountants agree or disagree with what crazy rich Indonesia has done to recognize private jets as assets because private jets are high-value assets. If the respondent chooses to agree, it will get higher points because based on IFRS 16 the answer that should be chosen is "Agree".

3.3.5. Variable of category leased asset as an operational asset

This variable is a statement to find out whether the accountants agree or disagree with what crazy rich Indonesia has done by recognizing assets for the private jet rental because it can increase their income as their brand image as influencers on social media because in leasing high-value assets, it will automatically meet the requirements. criteria as a finance lease so that in accounting it must be recognized as an asset in the financial statements. The accountant's perspective is measured by a ratio scale: point "1" if you disagree and point "2" if you agree. The question posed is whether the accountants agree or disagree with what crazy rich Indonesia has done to recognize private jets as assets because private jets are high-value assets. If the respondent chooses to agree, it will get higher points because based on IFRS 16 the answer that should be chosen is "Agree".

3.4. Data analysis

The data analysis method used is the difference test (t-test) where, according to Wahyono (2012), the analysis of the t-test difference test is

an analysis used to test two averages from two samples where the two are not interrelated or independent. In this case, the different tests carried out are registered accountants and unregistered accountants. According to Santoso (2012), the two-sample test aims to determine whether there is a difference in the average between the two populations by looking at the average of the two samples. Levene's test is used to test the similarity of the variances of two populations. There are two stages in the analysis, namely first testing the assumption whether the variance of the two sample populations of registered accountants and unregistered accountants is the same (equal variance assumed) or different (equal variance not assumed), then after knowing whether the variance is the same or not, look at the t-value test to be able to determine whether there is a significant difference in the average value of the two sample populations of registered and unregistered accountants or not.

Levene's test has the main objective of knowing the differences between two groups of data with different variances. The calculation results from this test will show the significance value (p) of the two different data groups. A significance value of $p > 0.05$ indicates that the data group comes from a population with the same (homogeneous) variance. On the other hand, a significance value of $p < 0.05$ indicates that the data group comes from populations with different variances (heterogeneous). After confirming that the data is homogeneous, the comparative analysis uses ANOVA or t-test.

4. RESULTS

4.1. Respondents

Respondents in this study were 222 registered and unregistered accountants who were interviewed at the PSAK 73 training event on April 9, 2022, as shown in Table 1 consisting of 84 registered accountants, or 37.84%, and 138 unregistered accountants, or 62.16%. Table 2 shows the average values that agree and disagree from each perspective that will be tested for differences in variance.

Table 1. Number of respondents

Category	Number	Percentage
Registered accountant	84	37.84%
Unregistered accountant	138	62.16%
Total	222	100%

Table 2. Statistics results

Category	N	Mean	Std. deviation	Std. error mean
12 months	Unregistered	138	1.6014	0.49138
	Registered	84	1.5595	0.49943
High value	Unregistered	138	1.6377	0.48242
	Registered	84	1.5238	0.50243
Operational assets	Unregistered	138	1.8333	0.37404
	Registered	84	1.8214	0.38529

4.2. Accountant's perspective regarding recognition of private jet assets for leases of less than 12 months

Table 3 shows that in the 12 month variable, Levene's test calculated an F-value of 1.264 has a probability

(Sig.) greater than 0.05 ($0.262 > 0.05$), so it can be concluded that H_1 cannot be rejected. Thus, the analysis of the difference test (t-test) must use the assumption of equal variance assumed. The t-value at equal variance assumed is 0.613 with

a significance probability of 0.541 ($0.541 > 0.05$) (two tails). So it can be concluded that crazy rich Indonesia has agreed to recognize private jets as assets even though the lease period of 12 months between registered and unregistered accountants is the same (not significantly different) which means that all categories of accountants agree to this perspective. Both registered and unregistered accountants have received the socialization of PSAK 73 well so that it does not cause a debate

regarding the crazy rich Indonesia phenomenon which recognizes leased assets as part of its assets even though the lease period is less than or equal to 12 months. Alabood et al. (2019), as mentioned before, state that the adoption of IFRS 16 has changed management's view of leasing, as well as accountants who agree that even though a private jet lease is less than 12 months it can still be recognized as an asset.

Table 3. F-test and t-test

		Independent samples test								
		Levene's test for equality of variances					T-test for equality of means		95% confidence interval of the difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	Lower	Upper
12 months	Equal variances assumed	1.264	0.262	0.613	220	0.541	0.04193	0.06842	-0.09292	0.17677
	Equal variances not assumed			0.610	173.200	0.542	0.04193	0.06870	-0.9366	0.17751
High value	Equal variances assumed	6.303	0.013	1.679	220	0.095	0.11387	0.06782	-0.01979	0.24753
	Equal variances not assumed			1.662	169.882	0.098	0.11387	0.06850	-0.02134	0.24908
Operational assets	Equal variances assumed	0.205	0.651	0.227	220	0.820	0.01190	0.05236	-0.09128	0.11509
	Equal variances not assumed			0.226	171.372	0.822	0.01190	0.05274	-0.09129	0.11600

4.3. Accountant's perspective regarding recognition of private jet assets as high-value assets

Table 3 shows that in the high value assets variable, Levene's test calculated F-value of 6.303 has a probability (Sig.) less than 0.05 ($0.013 < 0.05$), so it can be concluded that H_2 cannot be rejected. Thus, the analysis of the difference test (t-test) must use the assumption of equal variance not assumed. The t-value on equal variance not assumed is 1.662 with a significance probability of 0.098 ($0.098 > 0.05$) (two tails). So, it can be concluded that the approval of what crazy rich Indonesia has done to recognize a private jet as an asset because it meets the criteria as a finance lease between registered and unregistered accountants is the same (not significantly different) which means that all categories of accountants agree with this perspective. Both registered and unregistered accountants have received the socialization of PSAK 73 well, so that it does not cause a debate regarding the crazy rich Indonesia phenomenon which recognizes leased assets as part of its assets because private jets are high-value assets.

4.4. Accountant's perspective regarding recognition of private jet assets as part of operations

Table 3 shows that for the variable of working hours, Levene's test calculated F-value of 0.205 has a probability (Sig.) greater than 0.05 ($0.651 > 0.05$), so it can be concluded that H_3 cannot be rejected. Thus, the analysis of the difference test (t-test) must use the assumption of equal variance assumed. The t-value on equal variance assumed is 0.597 with

a significance probability of 0.227 ($0.227 > 0.05$) (two tails). So, it can be concluded that agreeing with what crazy rich Indonesia has done to recognize private jets as an asset because it can increase their income and their brand image as influencers on social media between registered and unregistered accountants is the same (not significantly different), which means that all categories of accountants agree with this perspective. Both registered and unregistered accountants have received socialization of PSAK 73 well, so that it does not cause a debate regarding the crazy rich Indonesia phenomenon which recognizes leased assets as part of its assets and becomes part of operations that increase revenue.

4.5. Discussion

From the above results, it is clear that out of 222 accountant respondents consisting of 84 registered accountants and 138 unregistered accountants, they have the same perspective regarding the Indonesian crazy rich phenomenon and the IFRS 16 accounting standard regarding leasing. This shows that the socialization of the latest accounting standards in Indonesia is quite well carried out by professional associations, campuses, regulators, and other institutions. Having knowledge of the latest standards will determine the attitudes and responses of accountants. The accountants agree that private jet leases, even if the lease period is less than 12 months, can be recognized as right-of-use assets. Accountants agree that renting assets with high values can be recognized as right-of-use assets, and accountants agree that right-of-use assets are part of the company's operations which will affect

profitability, as well as liquidity ratios, solvency, and capital structure. There has been no previous research regarding the accountant's perspective regarding the crazy rich phenomenon associated with accounting standards, so previous research is used as long as it relates to the impact of IFRS 16 implementation on company performance.

5. CONCLUSION

Based on the results of the analysis, it can be concluded that both registered accountants and unregistered accountants have the same perspective, which is to agree to the recognition of private jets as assets even though the lease period is 12 months. Both registered and unregistered accountants have the same perspective, which is to agree to the recognition of private jets as assets because they are high-value assets. Both registered and unregistered accountants have the same perspective which is to agree on the recognition of private jets as part of revenue-generating operations. Tofanelo et al. (2021) stated that by implementing IFRS 16, airline companies in Brazil have an increase in capital structure and profitability. Likewise, with the crazy rich, renting a private jet will increase their value in the eyes of society so that their popularity will increase for their future career development. Raoli (2021) stated that the existence of new standards enriches debate academically, as well as harmonization and responses from practitioners, regulators, and decision-makers including accountants. The results of this study are useful for further research where researchers can link phenomena that occur in social and business life with the latest

accounting standards. For example, there will be a new standard, namely IFRS 17 (Insurance Contract) and Financial Accounting Standards for Private Entities which will be effective on January 1, 2025, which will affect the way users read company financial reports or how the perspectives of accountants and business people relate to the application of these accounting standards later.

The implication of this research is that it is very important for accountants to know the latest accounting standards so that it is easy to interpret the phenomena that have occurred recently, especially related to the recognition of leased assets in the financial statements and as a part of the company's operations that can increase revenue, as well as that as an accountant with the knowledge he/she has will determine what attitude to do with existing phenomena as in the case of crazy rich. This is because accounting standards for leases encourage lessees to categorize them as finance leases which recognize right-of-use assets, lease liabilities, interest expense, and depreciation costs. Financial statements that use finance leases for tenants will change financial ratios, such as profitability ratios and debt-to-equity ratios. By understanding the latest standards, accountants will react appropriately in relation to the existing phenomena. The limitation of this study is that there is no previous research literature in the context of developing hypotheses, so previous research is used as long as it relates to the impact of IFRS 16 implementation on company performance, also existing hypothesis comes from the theory of IFRS 16 or PSAK 73 and the results of the logical thinking of the researcher.

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