

Intangible Asset Valuation Manipulation in a Legal Perspective

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Article Info	Abstract
Keywords: Intangible Assets; Asset Valuation; Fraud; Information Asymmetry.	<i>In the modern digital economy, intangible assets-such as intellectual property and goodwill-have evolved into primary drivers of corporate value and startup scale. However, their non-physical nature creates significant challenges for standardized valuation and regulatory compliance under International Accounting Standard (IAS) 38 and Indonesian Financial Accounting Standard (PSAK) 19. This paper examines the intersection between the economic valuation of intangible assets and the legal vulnerabilities arising from information asymmetry. Employing a purely normative legal research framework with a case-study approach, this study investigates how subjective valuation models open avenues for aggressive creative accounting and suspected reporting anomalies. These include artificial overvaluation driven by Gross Merchandise Value (GMV) in startup ecosystems, cash flow manipulation shenanigans (shifting operating cash outflows to investing activities), transfer pricing abuse in low-tax jurisdictions, and opportunistic disclosures surrounding goodwill impairment tests. This study establishes a comprehensive analytical matrix and liability typology to distinguish between valuation errors, professional standard breaches, administrative violations, civil unlawful acts (perbuatan melawan hukum), and criminal offences. Ultimately, the study underscores the urgent need for standardized execution frameworks, enhanced corporate due diligence, and advanced analytical reasoning among law enforcement and valuation professionals. This is vital to uphold commutative and proportional justice, prevent unjust enrichment, and maintain capital market stability.</i>
DOI: https://doi.org/10.51903/thxbdg85	
Submitted: July 2026; Reviewed: August 2026, Accepted: September 2026	
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I. INTRODUCTION

Asset valuation is typically based on the capitalization of the acquisition cost. This cost includes the purchase price, import duties, purchase taxes, and any costs directly related to the preparation of the asset so that it is ready for use. One of the assets included in a company's inventory is intangible assets. Intangible assets are identifiable non-current assets that lack physical substance, such as trademarks, patents, goodwill, franchises, leaseholds, or technology-related intangible assets (Pranowo & Wiratama, 2026; Santoso & Putranto, 2025). Their value on the company's balance sheet is read as net value once accumulated amortization is deducted. Due to their lack of physical substance, it is highly challenging to utilize them as fiduciary collateral when applying for bank loans.

These assets are frequently utilized by millennials or the "new power" to build startup businesses in today's digital era. Intangible assets are often leveraged as a booster in company asset valuations. Indeed,

their value is not easily calculated given their specific, unique nature and the difficulty in making comparisons. One reason lies within the valuation methodology of intangible assets itself. For business purposes, the scale of operation is an essential aspect to consider, and the primary indicator is the value of assets managed by the company. Furthermore, intangible assets can now serve as collateral under fiduciary security schemes.

Government Regulation Number 24 of 2022 concerning the Implementing Regulations of Law No. 24 of 2019 on the Creative Economy, particularly Article 9 and Article 10, has established a clearer legal framework regarding the formal parameters and valuation methods for Intellectual Property (IP) used as loan collateral. The valuation of intangible assets requires an economic approach that considers aspects of utility value, revenue potential, and market scarcity. The transformation of intellectual property value from mere moral rights into financial instruments demands adjustments not only in legal aspects but also in economic mechanisms, particularly regarding valuation. One of the main challenges is the lack of an adequate legal framework and standardized execution mechanisms.

In addition to fulfilling financing needs, asset valuation is also a variable measured for conducting an Initial Public Offering (IPO) on the stock exchange. Referring to the Decision of the Board of Directors of PT Bursa Efek Indonesia Number KEP-00101/BEI/12-2021 concerning Stock Splits and Reverse Stock Splits by Listed Companies Issuing Equity Securities, specifically Point III.1.2 and Point III.1.3, a company wishing to list its shares on the main board must satisfy strict financial thresholds. These include possessing total assets of at least Rp2 trillion in the last fiscal year and a stock capitalization value of at least Rp4 trillion prior to the listing date; or having cumulative cash flows from operating activities of at least Rp200 billion over the last two fiscal years and a stock capitalization value of at least Rp4 trillion prior to listing.

Fulfilling operating cash flow requirements is no simple feat, creating structural incentives for aggressive reporting practices, especially for companies intending to use IPO proceeds for debt settlement. Field implementation regarding the valuation of intangible assets is not without obstacles. Non-standardized valuation guidelines and a minimal understanding of the legal and economic aspects of intangible assets remain critical issues that must be examined thoroughly to ensure legal certainty. To address the fragmentation in current literature, this paper constructs an integrated legal-accounting framework that categorizes reporting anomalies and establishes clear boundaries for legal liability.

II. METHODOLOGY

A. Research Type and Approach

This study employs a purely normative or doctrinal legal research method (doctrinal legal research) with a qualitative approach, positioning statutory law and accounting standards as an integrated system of binding norms. The analysis focuses on the synchronization of accounting standards, commercial law regulations, and law enforcement against manipulative practices in intangible asset valuation. To

achieve a holistic analysis, three methodological approaches are applied strictly within a normative framework:

1. A statute approach, meticulously examining specific statutory provisions, including Articles 9–14 of Government Regulation No. 24 of 2022, Point III of BEI Decision No. KEP-00101/BEI/12-2021, and Article 66 of Law No. 8 of 1995 on Capital Market (now updated under Law No. 4 of 2023 on Financial Sector Development and Reinforcement/PPSK).
2. A conceptual approach, dissecting international accounting standards (IAS 38 Par. 8–24, Par. 68), domestic standards (PSAK 19 Par. 21–23; PSAK 1/ISAK 35; PSAK 48), creative accounting doctrines, agency theory, civil unlawful acts (*perbuatan melawan hukum* under Article 1365 Indonesian Civil Code), and corporate criminal liability.
3. A case approach, normatively analyzing public disclosures, official exchange announcements, and published financial statements of PT Envy Technologies Indonesia Tbk as an illustrative case study to examine suspected cash flow reclassification anomalies.

B. Data Sources and Legal Materials

The research materials are classified into two main categories to ensure dogmatic rigor:

1. Primary legal materials: Authoritative legal instruments and official regulatory standards, encompassing Government Regulation No. 24 of 2022, BEI Decision No. KEP-00101/BEI/12-2021, Law No. 8 of 1995 / Law No. 4 of 2023, Statements of Financial Accounting Standards (PSAK 19, PSAK No. 1 Revised 2013, and PSAK 48), as well as International Accounting Standard 38 (IAS 38).
2. Secondary Legal Materials: Academic literature, peer-reviewed journals, institutional research reports, and legal doctrines concerning financial misstatements and professional liability.

C. Techniques for Collecting Legal Materials

Legal materials were gathered exclusively through library research (*studi kepustakaan*). Documentation techniques were applied to public financial statements to trace cash flow shifting patterns. Doktrinal analysis was performed using qualitative-deductive reasoning through data reduction, systematic norm classification, and legal syllogism. Agency Theory serves as the foundational lens to evaluate information asymmetry between managers (agents) and investors (principals). The accounting perspective utilizes the three valuation approaches (cost, income, and market approach), while the legal perspective applies the parameters of commutative and proportional justice to determine the gradations of legal liability.

D. Data Analysis

Data are analyzed using a qualitative-deductive method through the stages of data reduction, systematic data presentation, and the drawing of legal conclusions. The main parameter in this analysis is based on the Agency Theory to evaluate the impact of information asymmetry between managers (agents) and

investors (principals). The accounting analysis utilizes the instruments of three valuation approaches (cost, income, and market approach), while the legal analysis employs the parameters of commutative justice and proportional justice to dissect the legal consequences of financial losses resulting from overvalued conditions.

E. Data Validity and Research Ethics

Research reliability is linked to legal bases, expert opinions, and accounting guidelines to review the logical flow of reasoning and the accuracy of interpretation regarding legal loopholes. This research maintains objectivity by basing the analysis on public financial statement documents and legitimate open literature to respect the boundaries of information transparency.

III. RESULTS AND DISCUSSION

A. Normative Characteristics and Valuation Guidelines of Intangible Assets

The measurement and reporting of intangible assets have attracted the attention of accounting researchers due to the gap between a company's book value and market value (Beattie, 2005). Recording the book value of intangible assets remains complex due to measurement uncertainty and subjective valuation perceptions. Under IAS 38 and PSAK 19, an intangible asset is defined as an identifiable non-monetary asset without physical substance. To satisfy the recognition criteria under IAS 38 and PSAK 19, an entity must demonstrate that.

1. It is probable that expected future economic benefits attributable to the asset will flow to the entity; and
2. The cost of the asset can be measured reliably.

Furthermore, IAS 38 explicitly mandates that internally generated expenditure during the research phase must be expensed immediately when incurred, whereas capitalization is strictly restricted to the development phase under the stringent conditions of IAS 38. As highlighted by Nurjanati et al. (2015) and Sukarti (2018), information asymmetry represented by bid-ask spreads significantly affects the cost of equity capital. In agency theory, information asymmetry arises because managers (agents) possess insider knowledge regarding asset prospects that external investors (principals) cannot easily verify. Valuation relies on three standardized approaches (Mackmin & Sams, 2012):

1. Cost Approach: Based on the economic principle that a buyer will pay no more than the cost to reproduce or replace an asset of equal utility. Although practical under PP No. 24 of 2022 Article 10, it reflects historic cost rather than future earnings potential (Banociova & Bajus, 2023).

2. **Income Approach:** Converts anticipated future cash flows or royalty streams into present value. Its vulnerability lies in the high subjectivity of discount rates and economic useful life assumptions.
3. **Market Approach:** Compares the target asset with market prices of identical or comparable assets. It is rarely viable for unique intangible assets due to the absence of active liquid markets.

Regarding the recognition of intangible assets according to IAS 38 (2016), it is explained that accounting for an item as an intangible asset requires the entity to demonstrate that the item meets the definition of an intangible asset and the recognition criteria (Mustapa et al., 2022). IAS 38 (2016) and PSAK 19 (2018) add that an intangible asset is initially recognized at cost. Examples of costs for an internally generated intangible asset include the cost of materials and services used or consumed, employee benefit expenses, fees to register a legal right, and the amortization of patents and licenses used to generate the asset. On the other hand, cost items excluded from the historical cost of an internally generated intangible asset are selling, general, and administrative overheads (unless they can be directly attributed), clearly identified inefficiencies and initial operating losses incurred before the asset achieves planned performance, and training costs for staff to operate the asset.

Research conducted by Nurjanati et al. (2015) and Sukarti (2018) found that the level of information asymmetry represented by the bid-ask spread significantly affects the cost of equity capital. Where information asymmetry exists, decisions made by managers can influence stock prices because asymmetry occurs between better-informed investors. In agency theory, it is stated that information asymmetry arises when managers (agents) possess more internal information and better insights into the company's future prospects than shareholders and other stakeholders (principals).

PSAK 19 (2018) explains that the recognition criteria for intangible assets involve several considerations: (a) it is probable that the expected future economic benefits attributable to the asset will flow to the entity, and (b) the cost of the asset can be measured reliably. IAS 38 (2016) and PSAK 19 (2018) share identical criteria for recognizing the value of intangible assets: (a) using rational and supportable assumptions, and (b) representing management's best estimate of the set of economic conditions that will exist over the useful life of the asset. The rationality of calculation and assessment is crucial to determining the fair value of this asset class.

B. Valuation of Intangible Assets

The value of intangible assets is legitimized by accounting practices and financial transactions. In financial statements, their position can be clearly identified and distinguished (Cohen, 2011). There are even specific accounting guidelines used to record and recognize their value. One example is intellectual property assets. Intellectual property assets can be traded between the creator/original owner and other parties. The desire to trade these intangible assets is driven by economic motives and the belief that

these assets are valuable and possess utility value. Because these assets are valuable, measures are taken to protect them from unauthorized use. There are three reasons why valuation must be performed. Hubbard (2014) explains that the first reason is that valuation conveys key decision information. The second reason is that valuation provides the rationale for the asset's market value, allowing it to be sold for profit. Third, valuation is intended to satisfy curiosity. The method for valuing an intangible asset should be based on a fair and rational value. When the represented value of an intangible asset fails to reflect its true worth, it inevitably leads to errors in decision-making, causes the market and investors to underappreciate the asset, and confuses those curious about its value.

Valuers select and apply appropriate valuation approaches. Three primary approaches are utilized: the market approach, the income approach, and the cost approach. The selection of a valuation approach is influenced by an appropriate preliminary basis of value, the relative strengths of the chosen approach, the compatibility between the asset being valued and the valuation method, and the availability of required information (Prawoto, 2021). Fundamentally, there are three approaches to asset valuation: the cost approach, the income approach, and the market approach (Mackmin & Sams, 2012). The cost approach indicates that the value of an asset is based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility.

The income approach indicates the value of an asset by converting future cash flows into a current capital value. The market approach compares the asset's value with price information available for similar or comparable assets. The weakness of the market approach when applied to intangible assets lies in the impossibility of finding identical or highly comparable assets to serve as a benchmark. The income approach suffers from the difficulty of determining the economic life of an intangible asset, which is highly uncertain and vulnerable to technological obsolescence. The cost approach becomes a pragmatic choice for valuing intangible assets, even though the resulting asset value tends to lean toward market appreciation rather than reflecting the asset's potential profitability (Banociova & Bajus, 2023).

C. Fraud in Intangible Asset Valuation

Several asset valuation methods open the door to reckless and aggressive valuations. One such method was developed by Navado Lopez. This method attempts to explain the discrepancy between a company's market value and its assets' book value. For startup companies, market value is generally unavailable in capital markets. In this context, market value can be replaced by alternatives. These alternatives introduce the concept of "replacement value" as a method to value companies targeted for mergers and acquisitions. For example, when an investor purchases a company's equity that contains substantial intangible assets, that investor exerts a massive impact on recognizing the asset's value. This valuation method can justify asset values based solely on the M&A transactions executed by the investor. The characteristics of intangible assets also leave them vulnerable to manipulation.

The manifestation of creative accounting practices can also be found in development costs (Voinea & Dimitriu, 2014). Although IAS 38 clearly prescribes the conditions under which such costs can be

recognized, practical accounting still sees situations where these costs are manipulated to influence current period profits/losses without a clear separation between the research phase and the development phase. In reality, costs incurred during the research phase must generally be expensed to the income statement, whereas costs meeting the criteria during the development phase can be capitalized, thereby altering the balance sheet (statement of financial position).

Valuation processes are typically carried out within accounting and financial reporting activities such as financing, mergers, acquisitions, and investment management. Valuation can introduce bias, assumptions, and preconceptions because it can be subjectively influenced by interested parties (Damodaran & Stern, 2009). Citing a statement by Chatib Basri, a former Minister of Finance of Indonesia, the current business model employed by startups has the potential to transform into a Ponzi scheme (Adiwijaya, 2020). This is triggered by investors' tendency to inject capital into startups primarily to drive Gross Merchandise Value (GMV) growth. Subsequently, the results of this GMV growth are used by investors as a business prospectus to resell the venture to subsequent investors. Such practices are commonly observed when startups emerge with highly unnatural valuation growth within a very short timeframe.

The higher the GMV, the higher the company's valuation (Adiwijaya, 2020). Consequently, valuations performed by investors tend to distort the actual condition of the company, resulting in overvaluation (Adiwijaya, 2020). Prospective investors who lack adequate capability or knowledge regarding a company's financial health face the risk of purchasing shares at a value significantly higher than the company's true worth. Conceptually, this mirrors a Ponzi scheme because new investors ultimately bear the loss. Early investors ultimately profit because they receive payouts for their startup investments from the funds injected by new investors, rather than from actual company operations (Carey & Webb, 2018). The problems generated relate directly to information asymmetry.

Company management exercises substantial discretion over the resources owned by the firm (Sanders, 2004). According to INTAN-Invest, there is a clear relationship between intangible assets and the growth of gross value added (GVA) (Cheriani & Meiden, 2022). Hazan et al. (2021) revealed that many high-growth companies focus on investing in intangible assets 2.6 times more than low-growth companies. From a management perspective, there are instances where the value of intangible assets is used specifically to leverage company valuation.

Transfer pricing is a central issue in multinational corporate taxation because structural flexibility allows the allocation of intangible assets to entities in low-tax jurisdictions (Riyadi et al., 2026). Transfer pricing practices involving intangible assets are highly susceptible to manipulation due to their hard-to-measure nature and the absence of a clear, comparable market. Multinational corporations can establish unreasonable royalty values by exploiting information asymmetry and the limitations of tax authorities in accessing international comparative data. For instance, multinational tech companies frequently allocate intellectual property rights such as algorithms, patents, and trademarks to subsidiaries in tax

havens like Ireland or Singapore, and subsequently charge high royalties to operating entities in high-tax countries like Indonesia.

Another fraudulent practice in intangible asset accounting involves the recording of goodwill. Goodwill recorded in financial statements can benefit companies and financial statement users. Goodwill is an asset item on the balance sheet reflecting the excess payment made for a business acquisition relative to its fair market value. Goodwill is recognized only when a company acquires another business. According to PSAK No. 1 (Revised 2013), the presentation of goodwill and other intangible assets must be separated. Most companies report goodwill and other intangible assets separately for their analytical objects. However, the separation between intangible assets and goodwill in some companies is obscured; they might present only goodwill in their financial reports, classify goodwill into miscellaneous asset accounts, or bundle goodwill and intangible assets together into a single line item.

On the other hand, several researchers argue that goodwill offers opportunities for fraudulent and opportunistic presentation in financial reports (Gros & Koch, 2020). Figures in financial statements are derived from mathematical calculations, enabling managers to manipulate them through earnings management (Huikku et al., 2017). Improper recording of goodwill value is often driven by opportunistic behavior. This opportunistic issue arises due to agency problems between managers and financial statement users. Managers command broader access to accounting information, giving them the leverage to disclose information according to their preferences. This condition causes the information presented in financial reports to be distorted rather than reflecting reality.

This begins after goodwill is recorded; companies must perform an annual goodwill impairment test. This test involves comparing the recoverable amount (fair value) with the carrying amount of goodwill. If the impairment test shows that the carrying amount exceeds the recoverable amount, the company must record a goodwill impairment loss in the income statement. Recording a goodwill impairment loss can significantly impact the company's financial performance. This loss directly reduces net profit, thereby affecting performance evaluations by stakeholders, including investors and financial analysts. Furthermore, goodwill impairment losses also reduce equity capital, which in turn can negatively affect key financial and solvency ratios.

D. Integrated Analytical Matrix of Suspected Reporting Anomalies

To address the broad scope of valuation practices, the following analytical matrix links each alleged reporting anomaly directly to its corresponding accounting standards, legal provisions, violation elements, and resulting form of legal liability show in Table 1.

E. Analysis of Suspected Reporting Anomalies: The Case of PT Envy Technologies Indonesia Tbk

In examining field manifestations of cash flow reclassifications, academic research by Christian et al. (2024) highlights suspected reporting anomalies in the public disclosures of PT Envy Technologies Indonesia Tbk. The phenomenon reflects what accounting literature terms "Cash Flow Shenanigans,"

specifically shifting operating cash outflows into investing activities. Joan et al. (2024), in their research on PT Envy Technologies Indonesia Tbk, uncovered indications of cash flow manipulation shenanigans, specifically in the category of "Cash Flow Shenanigans 2," which involves shifting operating cash outflows to investing activities. This practice was carried out by significantly increasing investment advances and intangible assets without adequate explanation in the company's financial reports.

As a technology company, PT Envy Technologies Indonesia Tbk possessed significant leeway to claim that their cash outlays (such as programmer salaries, system maintenance costs, or research) were not operating expenses, but rather technology development costs capitalized as Intangible Assets. Consequently, these cash outflows were shifted from operating expenses to investing activities.

Table 1. Analytical Matrix of Intangible Asset Valuation Anomalies and Legal Consequences

Suspected Anomaly/ Modus	Related Accounting Standard	Specific Legal/ Statutory Provision	Key Elements of Violation	Form of Legal Liability
Artificial GMV & Overvaluation in Startups	PSAK 19/ IAS 38 (Recognition Criteria); Framework for Financial Reporting	Law No. 4/2023 (PPSK); Civil Code Art. 1365	Misleading projections, distortion of revenue indicators, inducement of investors	Civil Liability: Damages for Unlawful Act (PMH); Administrative: OJK Fines/Sanctions
Cash Flow Reclassification Shenanigans	PSAK 2 (Statement of Cash Flows Par. 14 & 16); PSAK 19 Par. 68	BEI Listing Rule KEP-00101/BEI/12-2021; Law No. 8/1995 Art. 91	Shifting operating cash outflows to investing assets to artificially inflate operating cash flow.	Administrative: Exchange Delisting/ Trading Suspension; Mandatory Financial Restatement.
Transfer Pricing Abuse via IP Royalties	PSAK 7 (Related Party Disclosures); Tax Regulations (PER-22/PJ/2013)	Law No. 7/1983 as amended by Law No. 7/2021 (HPP) Art. 18; Income Tax Law	Artificial allocation of IP rights to tax havens; non-arm's length royalty pricing.	Tax Violations: Tax Underpayment Assessments, Administrative Surcharge Fines (50%-100%).
Opportunistic Delay of Goodwill Impairment	PSAK 48 (Impairment of Assets Par. 80-110); PSAK 1	Law No. 40/2007 on Company Law Art. 66 & 97; Law No. 8/1995 Art. 92	Deliberate suppression of impairment losses to overstate earnings and net equity.	Civil Liability: Board of Directors' Personal Liability for Loss (Art. 97 PT Law).
Appraiser Professional Malpractice	Standar Penilaian Indonesia (SPI); Professional Code of Ethics	Minister of Finance Regulation (PMK) on Appraisers; Civil Code Art. 1365	Gross negligence, use of unsupportable parameters, breach of independence.	Professional/Civil: License Revocation, Professional Disciplinary Action, Tort Damages.

From a normative perspective, tech firms possess structural discretion to classify software development costs under PSAK 19 / IAS 38. When operating cash outflows (such as staff salaries or maintenance) are capitalized as Intangible Assets or Investment Advances rather than expensed immediately, operating cash flows appear artificially robust. In the context of PT Envy Technologies Indonesia Tbk, while secondary literature characterizes these practices aggressively, sound legal reasoning requires moderating such claims. Without formal judicial decisions or regulatory enforcement findings declaring intentional fraud, these financial statement movements must be classified strictly as suspected reporting anomalies or indicative accounting irregularities rather than definitive criminal fraud.

F. Legal Consequences of Manipulated Valuations

Manipulated valuation is categorized as a white-collar crime, and this violation involves criminal intent (*mens rea*) (Margono, 2026). Valuation is not merely a technical calculation of an asset's worth; it must reflect commutative and proportional justice. Commutative justice emphasizes reciprocal fairness in transactions, where every individual receives their right regardless of merit or social status. Proportional justice allocates equal proportions based on one's position or standing. Information asymmetry between the company and investors creates a dark space vulnerable to injustice.

The law should guarantee a fair value for the exchange of rights arising from transactions. In this way, the law functions as an instrument to prevent unjust enrichment so that transacting parties are protected from undervalued or overvalued valuations. Valuation manipulation that results in financial loss can be classified as a criminal offense (Fuady, 2014). From the law enforcement perspective (prosecutors, investigators, and judges), there must be a competence and analytical reasoning to interpret asset values in financial statements and valuation reports. Several methods include checking whether an affiliated relationship or conflict of interest exists between the valuer and the asset-owning company, ensuring the valuation is grounded in rational data, confirming the company performed adequate due diligence on the valuation, verifying that the acquisition price remains reasonable compared to book value and historical cost, and auditing cash flows before and after the merger or acquisition.

Margono (2026) outlines several elements analyzing the existence of valuation manipulation as follows:

1. Element of providing false statements: Intentionally inserting unrealistic financial projection data into the valuation model.
2. Element of inducing others: Utilizing valuation results arising from compromise to convince the General Meeting of Shareholders (GMS) and investors.
3. Element of bad faith: The presence of intent to benefit oneself or affiliated parties at the expense of the company's finances.
4. Element of breaching legal obligations: Acting contrary to the principles of due care (duty of care) and good faith (duty of loyalty).

Small differences in the assumptions used can generate significant discrepancies in value. In affiliated transactions, valuers are frequently burdened by pressure to validate asset values predetermined by management. This creates a risk where the valuation report serves merely as a legal justification for a transaction that actually harms investors. Valuers are indeed responsible for the accuracy of data and the fairness of assumptions used. If it is proven that a valuer deliberately used unreasonable parameters or ignored relevant market data to benefit an affiliated party, the valuer can be held liable for professional malpractice.

Deviations from valuation standards are not merely ethical breaches but systemic failures that can invalidate transactions and trigger severe administrative and civil sanctions. In the context of financial

reporting, data manipulation performed by management to project a company image better than reality satisfies all elements of an unlawful act (*perbuatan melawan hukum*) because it is done intentionally, misleads external parties like investors and creditors, and inflicts financial losses due to decisions based on false information (Satrio, 2012).

G. Gradation and Construction of Legal Liability

A critical flaw in prior research is the premature conflation of all valuation inaccuracies with intentional white-collar crime. To establish rigorous legal reasoning, liability must be categorized into distinct legal regimes based on specific elements, legal grounds, and causal relationships:

1. **Valuation Errors & Estimation Differences:** Valuation of intangible assets inherently involves subjective judgment. Differences in discount rates or revenue forecasts that stem from changing market conditions do not constitute legal violations. They represent inherent business and valuation risks.
2. **Breaches of Professional Standards:** Occur when an independent appraiser fails to follow Standar Penilaian Indonesia (SPI) or KEPI (Kode Etik Penilai Indonesia) due to lack of competence. Legal Basis: PMK on Public Appraisers. Consequences: Administrative sanctions, warning letters, or temporary license suspension by the Ministry of Finance.
3. **Administrative & Capital Market Violations:** Arise when a public company presents financial statements that violate PSAK/IAS standards or OJK/BEI disclosure rules. Legal Basis: Law No. 8 of 1995 / Law No. 4 of 2023. Consequences: OJK administrative fines, order for financial statement restatement (*restatemen*), or trading suspension.
4. **Civil Unlawful Acts (*Perbuatan Melawan Hukum - PMH*):** Triggered when directors or appraisers act with negligence or bad faith (*mala fides*), presenting misleading financial information that induces third-party investors to suffer financial loss. Legal Basis: Article 1365 of the Indonesian Civil Code (*KUHPerdata*) and Article 97 of Law No. 40 of 2007. Required Elements: (a) Unlawful act, (b) Fault/negligence, (c) Actual financial damage, and (d) Direct causal relationship (*causaliteit*).
5. **Criminal Offences (*White-Collar Crime*):** Applies strictly when there is clear proof of deliberate fraud, falsification of documents, or corruption. Legal Basis: Articles 378 and 390 of the Indonesian Criminal Code (*KUHPP*), or capital market fraud provisions. Required Elements: Co-existence of subjective criminal intent (*mens rea*) and objective prohibited acts (*actus reus*). *Mens rea* cannot be presumed merely from a drop in asset value; it requires proof of intentional manipulation for unlawful enrichment.

IV. CONCLUSION

In conclusion, intangible assets play a pivotal role in corporate valuation within the modern digital economy. However, their inherent subjectivity creates persistent measurement challenges and information asymmetry between managers and external stakeholders. While standards such as IAS 38,

PSAK 19, and Government Regulation No. 24 of 2022 establish recognition parameters, flexible interpretation opens avenues for creative accounting and suspected reporting anomalies, including artificial GMV inflation, cash flow reclassifications, transfer pricing abuses, and delayed goodwill impairment.

Crucially, legal analysis must refrain from treating every valuation discrepancy as an intentional criminal act. Valuation inaccuracies must be evaluated through a structured legal typology, distinguishing innocent estimation errors, ethical/professional breaches, administrative capital market non-compliance, civil unlawful acts (PMH), and criminal offenses. Criminal liability requires explicit proof of both *mens rea* (criminal intent) and *actus reus*. Strict liability cannot be applied universally to independent appraisers without statutory basis; their liability remains tied to professional negligence or proven bad faith. Maintaining capital market integrity requires clear execution frameworks under PP No. 24 of 2022, rigorous corporate due diligence, and enhanced legal-financial analytical capabilities among enforcement authorities.

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