ISSUED OCTOBER 2017

FEEDBACK STATEMENT – ED 149 PROPOSED *CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING*

This Feedback Statement outlines feedback received on the *Conceptual Framework for General Purpose Financial Reporting*	**Overview**	This Feedback Statement outlines decisions taken by the Board prior to approving the *Conceptual Framework for General Purpose Financial Reporting* (the Conceptual Framework) and outlines the key principles in the Conceptual Framework.
	Consultation process	The ASB undertook a public consultation, which included users of the financial statements, preparers, auditors, and other interested parties.
	Supporting material	The Board's analysis of both the written and verbal comments received on ED 149 along with its responses thereto. The final Conceptual Framework. These materials can be accessed on the ASB's website.
	Next steps	The Conceptual Framework is not authoritative and as such there is no effective date and transitional provisions. It replaces the *Framework for the Preparation and Presentation of Financial Statements* (Framework)from 22 June 2017.

Accounting Standards Board

What we heard	
General support expressed for the proposed Conceptual Framework	Respondents welcomed the Conceptual Framework however some were generally concerned about the implementation of the Conceptual Framework and the effect of the new concepts and principles on the existing Standards of GRAP. In particular, a lack of understanding of the Conceptual Framework's role and authority was noted.
Chapter 1 – Role and authority of the Conceptual Framework	**Role and authority of the Conceptual Framework** Respondents were concerned about how the new principles and concepts on recognition and measurement would affect the preparation of the financial statements. In particular, there was uncertainty about the implementation of the Conceptual Framework and the relationship with existing Standards of GRAP. The Conceptual Framework is not authoritative. It is used by the Board to set Standards of GRAP and by preparers when no guidance exists on a certain topic. Therefore, the principles in the Conceptual Framework do not override the principles in existing Standards of GRAP. The Board agreed to take the IPSASB's lead in reviewing the principles in existing Standards for consistency with the Conceptual Framework.
	Broader scope of financial reporting The Board proposed that, unlike the the Framework, the scope of the proposed Conceptual Framework would be broadened to general purpose financial reports (GPFRs) instead of general purpose financial statements (GPFSs). Respondents generally supported the Board's proposal. Some respondents were concerned that the broader scope of financial reporting would lead to a broader scope of Standards of GRAP and related audits, therefore increasing audit costs. The broader scope is intended to establish a set of principles to guide the preparation and presentation of information in the financial statements as well as certain information that accompanies the financial statements. The broader scope does not imply that the requirements of the Standards of GRAP themselves are broadened.

	The Public Audit Act, 2004 (Act No.25 of 2004) requires the Auditor-General of South Africa to express an opinion or conclusion on the fair presentation of annual financial statements, compliance with applicable laws and regulations, and reported information relating to performance against predetermined objectives. As a result, the matters covered in the broader scope of financial reporting already form the subject of public audits. As such, it is expected that the scope of audits and the audit opinion or conclusions expressed in the auditors' reports will remain unchanged.
What we heard	
Chapter 1 – Role and authority of the Conceptual Framework	**Characteristics of a public sector entity** The link between Directive 12 on *The Selection of an Appropriate Reporting Framework by Public Entities* and the characteristics of a public sector entity in Chapter 1 was questioned. Respondents observed that the proposed wording in paragraph 1.10 could be interpreted to mean that all entities meeting the characteristics of a public sector entity should apply Standards of GRAP. Directive 12 outlines criteria for certain public entities to assess whether they should apply IFRSs while the Conceptual Framework provides a broad principle that identifies the characteristics of a public sector entity. In finalising the Conceptual Framework, the Board agreed that paragraph 1.10 should clarify that the characteristics should not be interpreted to mean that entities meeting the characteristics should apply Standards of GRAP. The Board noted that it would be inappropriate for the Conceptual Framework to state which entities should apply Standards of GRAP as such a requirement is usually set in legislation. As such, paragraph 1.10 further clarifies that legislation determines which entities should apply Standards of GRAP and that in the absence of a legislative requirement, an entity that meets these characteristics may apply the Standards of GRAP.

What we heard

Chapter 3 – Qualitative characteristics	**Treatment of materiality as an aspect of relevance** The Board proposed to classify materiality as an aspect of relevance instead of a pervasive constraint. Some respondents disagreed with the Board's proposal not to treat materiality as a pervasive constraint. The Board was not persuaded by the respondents' view and noted that such an approach means that materiality is only considered as the last step in the process of assessing the qualitative aspects of information. The Board agreed that this approach is inappropriate and that materiality should be considered when assessing the relevance of information.
	Materiality in relation to existing legislative requirements Respondents indicated that entities are currently required to report on all indicators identified in the strategic plan and annual performance plan in the Annual Performance Report. As a consequence, entities have to report on all indicators irrespective of whether those indicators are material. The Board considered whether amendments are required in Chapter 3 to reflect situations where existing legislative requirements prevail over the qualitative characteristics (QCs) or constraints on information. In finalising the Conceptual Framework, the Board agreed that no amendments are necessary, as there is already a principle in paragraph 1.9 that provides that the Conceptual Framework does not override any existing legislative requirement or framework set by other organisations. The Board concluded that entities can apply this principle in such cases.

What we heard	
Chapter 4 - Reporting entity	Chapter 4 outlines the reporting entity concept. It identifies when an entity (or portion of an entity, programme or identifiable area of an activity) should prepare GPFRs. Some respondents questioned the application of the principle of the reporting entity in the local environment, in particular that there may be conflicts with legislative or similar requirements to prepare financial statements. To address the concerns raised, the Board amended Chapter 4 to clarify that an entity is a reporting entity and prepares GPFRs when there is a legislative or similar requirement to prepare GPFRs. In addition, it may elect to prepare GPFRs for a portion of an entity, programme or identifiable area of an activity. However, where there is no legislative or similar requirement to prepare GPFRs, an entity may apply the principles in Chapter 4 to decide if it is a reporting entity. The amendments also clarify that when an entity that is required by legislation to prepare financial statements also elects to prepare GPFRs, it should prepare its financial statements and GPFRs in accordance with the applicable Standards of GRAP.
Chapter 5 – Elements in financial statements	**Definitions** The Conceptual Framework defines the elements used in the financial statements and provides an explanation of those definitions. Some respondents questioned the effects of the changes to the definitions. The definitions of the elements have not changed significantly. However, the “probability of flow of economic benefits or service potential” is not a requirement for an item to be recognised in the financial statements.
Chapter 6 – Recognition in financial statements	**Recognition criteria** Chapter 6 establishes new recognition criteria which are substantially different to the existing criteria in the Framework and Standards of GRAP. Respondents questioned the effects of the changes in the recognition criteria. Chapter 6 explains that any uncertainty related to the amount of economic benefits or service potential to be received by an entity will be included in the measurement of that element (referred to as measurement uncertainty). The effect of this change is

	that there is likely to be more transactions and events being recognised in the financial statements as the "probability of flow of economic benefits or service potential" is no longer a consideration for recognition. **Exclusion of the discussion on other resources and other obligations** Some respondents did not support the Board's proposal to exclude the discussion on other resources and other obligations. In their view, the discussion should be included to provide clarity on the two concepts. The Board disagreed with this view, as it believed that the discussion has no relevance to preparers in the local environment as the use of other resources and other obligations will be limited to the Board.
	Addition of guidance on the unit of account Respondents generally supported the proposal to add guidance on the unit of account.

Summary of key principles	
Summary of key principles	*Role and authority of the Conceptual Framework* • The Conceptual Framework establishes concepts that underpin financial reporting by public sector entities that adopt the accrual basis of accounting. These concepts include those applied in developing the Standards of GRAP applicable to the preparation and presentation of GPFSs; and those applied in the presentation of GPFRs which are reported outside the financial statements. GPFRs encompass a more comprehensive scope of financial reporting which comprises the financial statements and information that enhances, complements and supplements the financial statements. • The Conceptual Framework can be applied by various parties, for example, the Board applies the Conceptual Framework when it develops Standards of GRAP while preparers apply it when preparing GPFSs in dealing with topics that may not yet form the subject of the Standards of GRAP. • The Conceptual Framework does not establish authoritative requirements for financial reporting nor does it override the existing requirements of the Standards of GRAP. Where there are inconsistencies between the principles in the Conceptual Framework and the Standards of GRAP, the principles in the Standards of GRAP will prevail as the requirements relating to the recognition, measurement and presentation of transactions and other events are authoritative. • The Conceptual Framework does not establish the requirements for what information should be included in GPFRs, it only sets out broad principles on how that information can be prepared and presented. As such, the Conceptual Framework does not override any existing legislative or similar requirements issued by other organisations that prescribe requirements for the preparation and presentation of information in the GPFRs. • The Conceptual Framework applies to financial reporting by entities that apply the Standards of GRAP, as identified in legislation. In the absence of such a legislative requirement, an entity may apply the Standards of GRAP if it meets the characteristics of a public sector entity in the Conceptual Framework.

Summary of key principles

Summary of key principles	
Summary of key principles	*Objectives and users of GPFRs* • The objective of financial reporting is to provide information about the entity that is useful to users of GPFRs for accountability purposes and for decision-making purposes. The objectives of financial reporting are therefore determined by reference to the users of GPFRs, and their information needs. • The users of GPFRs are described as "service recipients and their representatives" and "resource providers and their representatives". These users generally do not have the authority to require the preparation of financial reports tailored to meet their specific information needs. *Qualitative characteristics* • The Conceptual Framework defines the qualitative characteristics (QCs) as the attributes that make information in GPFRs useful to users and support the achievement of the objectives of financial reporting. • The QCs apply to all financial and non-financial information reported in the GPFRs. • The six QCs of information included in GPFRs are: relevance, faithful representation, understandability, timeliness, comparability and verifiability. • The pervasive constraints on information included in GPFRs are cost-benefit; and achieving an appropriate balance between the QCs.

Summary of key principles

Summary of key principles

Reporting entity

- A reporting entity is defined as a government or other public sector organisation, programme or identifiable area of activity that prepares GPFRs.
- Where two or more separate entities present GPFRs as if they are a single entity, they are referred to as a group reporting entity.
- A reporting entity does not have to have a legal identity.
- The key characteristics of a reporting entity, are that:
  - it is an entity that raises resources from, or on behalf of, constituents and/or uses resources to undertake activities for the benefit of, or on behalf of, those constituents; and
  - there are service recipients or resource providers dependent on GPFRs of the entity for information for accountability or decision-making purposes.
- The Conceptual Framework identifies the following entities or group of entities as reporting entities:
  - Where a legislative or similar requirement exists, the reporting entity is one that is required to prepare GPFRs and/or elects to present GPFRs for a portion, programme or identifiable area of activity within an entity.
  - In the absence of such a legislative or similar requirement, an entity applies the principles in the Conceptual Framework to decide if it is a reporting entity.
- Where an entity has elected to prepare GPFRs, it is still required to prepare its financial statements and/or consolidated financial statements in accordance with the Standards of GRAP. This means that the entity's financial statements and/or consolidated financial statements, prepared in accordance with the Standards of GRAP, will include the revenue, expenses, assets and liabilities of a portion, programme or identifiable area of activity in terms of the applicable Standards of GRAP.

Summary of key principles	
Summary of key principles	*Elements in the financial statements* • The Conceptual Framework explains that elements are the building blocks from which financial statements are produced. Six elements are defined in the Conceptual Framework: assets, liabilities, revenue, expense, ownership contributions and ownership distributions. **Assets** • An asset is defined as “a resource presently controlled by the entity as a result of a past event”. • A resource is an item with service potential or the ability to generate economic benefits. • “Service potential” is the capacity to provide services that contribute to achieving the entity’s objectives. It enables an entity to achieve its objectives without generating net cash inflows. • “Economic benefits” are described as the ability of an asset to generate net cash inflows. • Control over a resource is evidenced by the ability to use the resource or direct others on its use, in order to derive the benefit of the resource’s service potential or economic benefits. The following indicators of control are discussed: - Legal ownership. - The right to access, and to restrict or deny access of external parties to, the resource. - The means to ensure that the resource is used to achieve its objectives. - The existence of an enforceable right to service potential or the ability to generate economic benefits arising from a resource. • The Conceptual Framework indicates that some assets may arise through the exercise of sovereign powers for example, the right to levy a tax. In such cases, assets arise when the power is exercised and the rights exist to receive

	resources.
Summary of key principles	
Summary of key principles	*Elements in the financial statements...continued* **Liabilities** • A liability is defined as "a present obligation of the entity for an outflow of resources that results from a past event". • A present obligation can be a legally binding obligation or non-legally binding obligation which an entity has little or no realistic alternative to avoid. • There must be an outflow of resources from an entity for the liability to be settled. • An obligation must be with an external party (but is not essential to know the party's identify beforehand) to give rise to a liability. Therefore, an entity cannot be obligated to itself. • The definition of a liability requires the existence of a past transaction or event. As such, identifying the past event is an essential characteristic of a liability. • "Legally binding obligations" are enforceable in law and may arise from various legal constructs. These may include unconditionally enforceable claims. • "Non-legally binding obligations" are not enforceable in law but have the following attributes: - the entity has indicated to other parties that it will accept certain responsibilities (past practice); - as a result of such an indication, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities; and - the entity has little or no realistic alternative to avoid settling the obligation arising from those responsibilities • Political necessity and economic coercion are examples of circumstances that may lead to non-legally binding

	obligations.

Summary of key principles

Summary of key principles	*Elements in the financial statements...continued* **Net financial position** • The Conceptual Framework describes net financial position as the difference between assets and liabilities. This amount can be a positive or negative residual amount. **Revenue and expense** • The Conceptual Framework defines revenue and expense symmetrically. • Revenue is defined as "increases in the net financial position of the entity, other than increases arising from ownership contributions". • Expense is defined as "decreases in the net financial position of the entity, other than decreases arising from ownership distributions". **Surplus or deficit for the period** • The Conceptual Framework describes this as the difference between revenue and expense reported.

Summary of key principles	
Summary of key principles	*Elements in the financial statements...continued* **Ownership contributions and ownership distributions** • These two elements are defined symmetrically. • Ownership contributions are “inflows of resources to an entity, contributed by external parties in their capacity as owners, which establish, maintain or increase an interest in the net financial position of the entity”. • Ownership distributions are “outflows of resources from an entity, distributed to external parties in their capacity as owners, which return or reduce an interest in the net financial position of the entity”. • The Conceptual Framework makes it clear that it is important to distinguish inflows of resources from owners, and outflows of resources to owners, in their capacity as owners, from revenue and expenses as they are different. Entities may need to first identify who the owners are before making such a distinction. • The Conceptual Framework also notes that, in some instances, contributions are made by the owners not only to establish or increase their interest but to maintain their interest in an entity.

Summary of key principles	
Summary of key principles	*Recognition in financial statements* • The Conceptual Framework identifies the criteria for an element to be recognised in financial statements, as follows: - an item needs to meet the definition of an element; and - the item can be measured in a way that achieves the QCs. • Initial recognition involves an assessment of uncertainty related to the existence and measurement of the element. - “Existence uncertainty” means that an item does not satisfy all essential features in the definition of the element and cannot be recognised. - “Measurement uncertainty” means that there is uncertainty about the monetary value of service potential or economic benefits and the measurement of the item does not achieve the QCs and constraints on information. As recognition uncertainties that led to an item not being recognised can change, they need to be assessed at each reporting date. • The non-recognition of items that meet the recognition criteria cannot be rectified by the disclosure of accounting policies, notes or other explanatory detail. However, where there are existence uncertainties, it may be useful to provide information about items that meet many, but not all the characteristics of the definition of an element. • The Conceptual Framework provides additional guidance on the unit of account, which represents the group of rights and/or obligations to which recognition and measurement requirements apply.

Summary of key principles

Summary of key principles	*Measurement of assets and liabilities in financial statements* • Measurement of items in the financial statements involves assigning a monetary value to the item. This further involves choosing an appropriate measurement basis and ensuring that the measurement is relevant and faithfully representative of the item. • The Conceptual Framework does not propose a single measurement basis (or a combination of bases) as it is not possible to identify a single measurement basis that best meets the measurement objective. • The objective of measurement is to identify concepts that will guide the Board and preparers "to select those measurement bases that most fairly reflect the cost of services, operational capacity and financial capacity of an entity in a manner that is useful in holding the entity to account, and for decision-making purposes". - "Cost of services" means the cost of services provided in the period in historical or current terms. - "Operational capacity" means the capacity of the entity to support the provision of services in future periods through physical and other resources. - "Financial capacity" means the capacity of the entity to fund its activities.

Summary of key principles

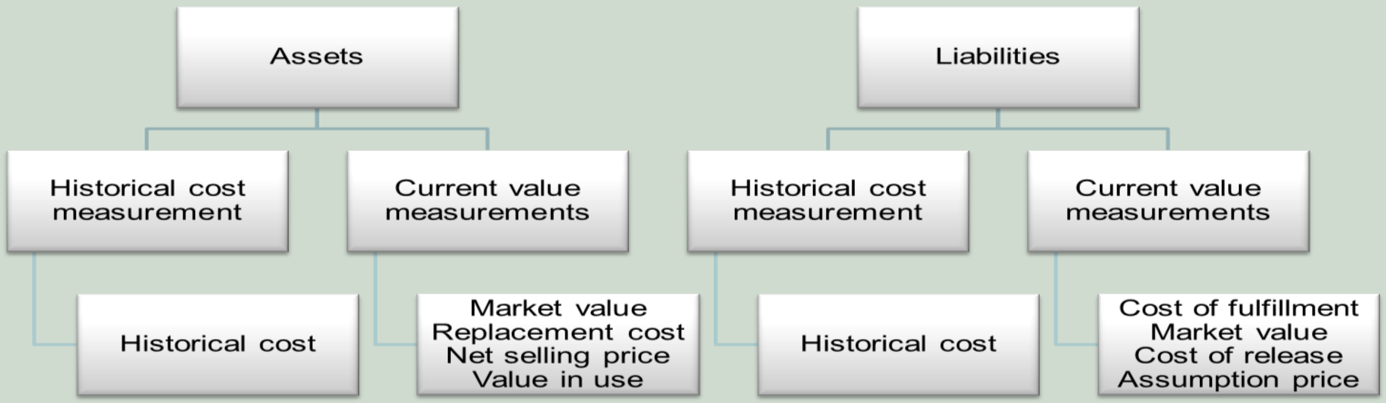
Summary of key principles

Attributes of measurement bases

- Measurement bases are classified based on the following attributes: entry vs exit values, observable or unobservable in a market and entity or non-entity specific.

Entry and exit values	Observable and unobservable measures	Entity-specific and non-entity specific measures
Entry values • Measure reflects cost of purchase (assets) • Measure reflects amount at which obligation is received or assumed (liabilities) Exit values • Measure reflects either economic benefits from the immediate sale or amount to be derived from use and subsequent sale (assets) • Measure reflects amount required to fulfil obligation or to be released from obligation (liabilities)	Observable in market • Measure is observable in open, active and orderly market → i.e. measure is understandable and verifiable Unobservable in market • Measure is less understandable and verifiable than observable measures	Entity specific • Measure reflects entity's position not a hypothetical market → i.e. entity's own economic opportunities and risks Non-entity specific • Measure reflects general market opportunities and risks

Summary of key principles

Summary of key principles	**Types of measurement bases for assets and liabilities** 

Summary of key principles

Summary of key principles

Types of measurement bases for assets and their attributes

Measurement basis (including examples of typical assets that would be measured using the respective measurement basis)	**Entry or Exit**	**Observable or Unobservable in a Market**	**Entity or Non-entity Specific**
Historical cost - Consideration given to acquire or develop an asset, which is the cash or cash equivalents, or the value of the other consideration given, at the time of its acquisition or development. E.g. Office furniture and equipment.	Entry	Generally observable	Entity specific
Market value - Amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction • Market value in open, active and orderly market. E.g. Investments in equity securities. • Market value in inactive market. E.g. Financial instruments	 Entry and exit Exit	 Observable Dependent on valuation technique	 Non-entity specific Dependent on valuation technique
Replacement cost - The most economic cost required for the entity to replace the service potential of an asset (including the amount that the entity will receive from its disposal at the end of its useful life) at the reporting date. E.g. Infrastructure assets.	Entry	Observable	Entity specific
Net selling price - The amount that the entity can obtain from sale of the asset, after deducting the costs of sale. E.g. Inventories.	Exit	Observable	Entity specific
Value in use - The present value to the entity of the asset's remaining service potential or ability to generate economic benefits if it continues to be used, and of the net amount that the entity will receive from its disposal at the end of its useful life. E.g. Infrastructure assets and impairment assessments.	Exit	Observable	Entity specific

Summary of key principles

Summary of key principles

Selecting an appropriate measurement basis for assets

Measurement basis	Cost of services	Operational capacity	Financial capacity	Application of the QCs
Historical cost	Reflects amount of resources expended to acquire/develop assets consumed. Cost of services is reported based on past prices → does not reflect current cost of assets when consumed during reporting period	<u>Exchange transaction</u> Reflects amount of resources available to provide services in future <u>Non-exchange transaction</u> Transaction price does not reflect information about operational capacity.	Reflects value of assets that may be used as collateral. Does not reflect the amount that could be reinvested from sale of asset.	Faithful representation, verifiable, timeliness, understandable. Relevance and comparability achieved to lesser extent as price changes are not reflected in historical cost.
Market value	Revenue from services and consumption of assets measured in current terms.	Useful if it reflects value of service potential of asset (entry-based values)	Reflects amount receivable on sale of asset (exit-based values)	Faithful representation, relevance, verifiable, comparable and understandable (in open, active and orderly market)
Replacement cost	Cost of consuming asset = sacrifice of service potential incurred by that use. Cost of services reported in current terms, therefore consumption stated at value of asset at the date consumed. Facilitates comparison with taxes and revenue.	Provides information about the resources available to provide services in future periods.	Does not provide information about amount receivable upon sale of the asset.	Calculation can be complex, and may affect faithful representation. May also affect understandability, timeliness, verifiability, and comparability (as an entity specific value, although may be comparable where same services

				provided).
Net selling price	Cannot quantify cost of provision of services.	Does not provide information about available service potential.	Provides information about value of an asset if it is to be sold.	If measure is relevant, it achieves faithful representation, can be timely, verifiable, understandable as based on market information.
Value in use	Limited applicability and complexity makes use in costing services, and assessing operation and financial capacity irrelevant in most instances.			Complex basis, therefore reduces faithful representation, timeliness, comparability, understandability and verifiability.

Summary of key principles

Summary of key principles

Types of measurement bases for liabilities and their attributes

Measurement basis (including examples of typical liabilities that would be measured using the respective measurement basis)	**Entry or Exit**	**Observable or Unobservable in a Market**	**Entity or Non-entity Specific**
Historical cost - The consideration received to assume an obligation, which is the cash or cash equivalents, or the value of the other consideration received at the time the liability is incurred. E.g. trade payables.	Entry	Generally observable	Entity specific
Cost of fulfilment - The costs that the entity will incur in fulfilling the obligations represented by the liability, assuming that it does so in the least costly manner. E.g. rehabilitation costs.	Exit	Unobservable	Entity specific
Market value - The amount for which a liability could be settled between knowledgeable, willing parties in an arm's length transaction. • Market value in open, active and orderly market. E.g. derivative instruments. • Market value in inactive market. E.g. Financial instruments.	Entry and exit Exit	Observable Dependent on valuation technique	Non-entity specific Dependent on valuation technique
Cost of release - The term used in the context of liabilities to refer to the same concept as "net selling price" for assets. Cost of release refers to the amount of an immediate exit from the obligation. E.g. Settlement of claims.	Exit	Observable	Entity specific
Assumption price - The term used in the context of liabilities to refer to the same concept as replacement cost for assets. Just as replacement cost represents the amount that an entity would rationally pay to acquire an asset, so assumption price is the amount which the entity would rationally be willing to accept in exchange for assuming an existing liability. E.g. Financial guarantees.	Entry	Observable	Entity specific

Summary of key principles

Summary of key principles

Selecting an appropriate measurement basis for liabilities

Measurement basis	Cost of services	Operational capacity	Financial capacity	Application of the QCs
Historical cost	Advantages and drawbacks for liabilities are the same as those discussed under assets. Appropriate where liabilities will be settled at stated terms. Not applicable for liabilities arising from non-exchange transactions and those with variable amounts.			
Cost of fulfillment	Appropriate only when it is higher than cost of release and assumption price			
Market value	Advantages and drawbacks for liabilities are the same as those discussed under assets. Appropriate when liability is subject to changes in a specified rate, price or index in an open, active and orderly market. Not appropriate where transfer of liabilities is restricted i.e. obligations from non-exchange transactions.			
Cost of release	Advantages and drawbacks for liabilities are the same as those discussed under “net selling price” for assets. Appropriate when the most resource-efficient course is to seek immediate release from an obligation i.e. cost of fulfillment is higher than cost of release.			
Assumption price	Advantages and drawbacks for liabilities are the same as those discussed under “replacement cost” for assets. Not relevant for non-exchange transactions. Appropriate when it is higher than cost of fulfillment and cost of release.			

Summary of key principles	
Summary of key principles	*Presentation in general purpose financial reports* • The Conceptual Framework describes the concepts applicable to the presentation of information in GPFRs, including the financial statements. It does not specify a list of factors that should be included in the financial statements or the notes. • Presentation is defined as the selection, location and organisation of information that is reported in the GPFRs. It aims to provide information that supports the objectives and meets the QCs of financial reporting. **Information selection** • The selection of information should reflect what information is reported in the financial statements and in the GPFRs outside the financial statements. • In the GPFRs, information is selected for either display or disclosure. Information selected for display communicates key messages that should be concise and presented prominently. Information selected for disclosure provides the basis as well as the disaggregation of displayed information. • When making decisions about information selection the following should be considered: - objectives of financial reporting; - QCs and constraints of information included in GPFRs; and - relevant economic or other phenomena about which information may be necessary.

Summary of key principles	
Summary of key principles	*Presentation in general purpose financial reports* **Information location** • When making decisions about information location, the focus should be on the allocation of information between different reports and information within a report. Such decisions impact the achievement of objectives of financial reporting and QCs. They can also affect a user’s interpretation of information and its comparability. • When making decisions about information selection, the nature of the information and linkages between information should be considered. **Information organisation** • Information organisation addresses the arrangement, grouping and ordering of information, which includes decisions about: - how information is arranged within a GPFR; and - the overall structure of a GPFR. • The organisation of information can affect the interpretation by users. • The organisation of information takes into account important relationships between information and whether it is for display or disclosure. Relationships include: enhancement, similarity and shared purpose. Relationships may exist between information in different GPFRs, components within a GPFR, and parts of a single component. • Information organisation is essential to: - ensure key messages are understandable; - identify important relationships;

	- give appropriate prominence to information; and - facilitate comparisons.

Effective date and transitional provisions

Effective date and transitional provisions	The Conceptual Framework is not authoritative as such it does not have an effective date or transitional provisions. It is replaces the existing Framework from 22 June 2017.

How to access information

Access information on the ASB and its work programme online	Visit our website on www.asb.co.za