



**ANALYSIS AND RESPONSES TO WRITTEN COMMENT  
RECEIVED ON THE**

**PROPOSED AMENDMENTS TO DIRECTIVE 6  
TRANSITIONAL PROVISIONS FOR REVENUE  
ADMINISTERED BY THE SOUTH AFRICAN REVENUE  
SERVICE (SARS)**

**(ED 155)**



**RESPONSES TO THE WRITTEN COMMENT RECEIVED ON THE PROPOSED AMENDMENTS TO DIRECTIVE 6 TRANSITIONAL PROVISIONS FOR REVENUE ADMINISTERED BY THE SOUTH AFRICAN REVENUE SERVICE (SARS) (ED 155)**

The Accounting Standards Board (Board) approved the Exposure Draft of the proposed Amendments to Directive 6 *Transitional Provisions for Revenue Administered by the South African Revenue Service* (SARS)(ED 155) in April 2017 for comment. A Notice was also published in the Government Gazette on the 5<sup>th</sup> of May 2017 (Notice 40827). The comment period closed on 14 July 2017.

A comment letter was received from SARS and the Free State Department of Treasury, which included submissions from the entities listed in the table on the next page. Comments received from these entities are summarised in this document with the Board's responses thereto.



**CLASSIFICATION OF WRITTEN COMMENT RECEIVED ON THE PROPOSED AMENDMENTS TO DIRECTIVE 6 TRANSITIONAL PROVISIONS FOR REVENUE ADMINISTERED BY THE SOUTH AFRICAN REVENUE SERVICE (SARS) (ED 155)**

No.	Name/Organisation	Total	Preparers	Users	Auditors	Other interested parties
1.	SARS		√			
2.	Submission by the Free State Department of Treasury, including inputs from the following Departments: <ul style="list-style-type: none"> <li>• Provincial Treasury</li> <li>• Public Works and Infrastructure</li> <li>• Education</li> <li>• Free State Development Corporation</li> <li>• Co-operative Governance and Traditional Affairs</li> </ul>		√			



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THE SOUTH AFRICAN REVENUE SERVICE (SARS) (ED 155)**

No.	Comment	Board's response
1.	<b>SARS</b>	
	<p>SARS supports the Exposure Draft.</p> <p>Comment on specific matters:</p> <ul style="list-style-type: none"> <li>• The change in terminology from “Revenue Collected by SARS” to “Revenue Administered by SARS” is welcomed as it is in line with the principles of accrual accounting.</li> <li>• SARS supports the additional clarification relating to the application of the transitional provisions by affected entities where SARS administers revenue on their behalf and they rely on SARS for information to prepare their financial statements in accordance with Standards of GRAP.</li> <li>• Even though it was stated in the scope and other paragraphs before, the general transitional provisions (par .08) are clearer that the relief also relates to any transactions related to the administered revenue. SARS has always interpreted the directive to have included these transactions.</li> <li>• The directive explicitly states that the transitional requirements expire on 31 March 2023 (par .14). SARS welcomes this amendment.</li> </ul>	<p>Noted. No further action required.</p>



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<b>2.</b>	<b>Department of Treasury Free State Province</b>	
<b>2.1</b>	Provincial Treasury	
	Not applicable.	Noted. No further action required.
<b>2.2</b>	<b>Department of Education Free State</b>	
	Support Exposure Draft.	Noted. No further action required.
<b>2.3</b>	<b>Public Works and Infrastructure</b>	
	Support Exposure Draft.	Noted. No further action required.
<b>2.4</b>	<b>Free State Development Corporation</b>	
	Support Exposure Draft.	Noted. No further action required.
<b>2.5</b>	<b>Co-operative governance and traditional affairs</b>	
	No comments, as we agreed with all points as it is not really applicable to department but rather SARS.	Noted. No further action required.