

PAG Forum

Update on ASB activities

Presented by:
Erna Swart




Accounting Standards Board





Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.





Overview

- Reporting Framework for 2013/2014
- Pronouncements effective from 1 April 2015
- High level overview of current Exposure Drafts
- Feedback on other developments





Reporting Framework for 2013/2014



Snapshot - Reporting Framework

	31 March 2015
GRAP	Report in terms of new Standards: GRAP 5 ,100
IFRS/ IPSAS	No change
Not yet effective	Accounting policy: <ul style="list-style-type: none">• GRAP 32, 105, 106, 107, 108• IGRAP 17 Disclosure: <ul style="list-style-type: none">• GRAP 20 or IPSAS 20 Allowed to early adopt Improved GRAPs: <ul style="list-style-type: none">• GRAP 1, 2, 3, 10, 11, 13, 17, 19, 21, 23, 24, 25, 26, 31, 103,104• Directive 11
Not applicable	GRAP 18



Pronouncements effective from 1 April 2015



New effective pronouncements

- Pronouncements that **should be applied**
- from **1 April 2015** (2015/2016 reporting period)
 - Improved Standards of GRAP (2013 Improvements project)
 - Directive 11 *Changes in Measurement Bases Following the Initial Adoption of Standards of GRAP*
 - GRAP 18 *Segment Reporting* (only Public entities, Constitutional Institutions and FET Colleges)

New effective pronouncements

Pronouncements that **should be applied** from **1 April 2015** (2015/2016 reporting period)

- GRAP 105 *Transfer of Functions Between Entities Under Common Control*
- GRAP 106 *Transfer of Functions Between Entities Not Under Common Control*
- GRAP 107 *Mergers*




Current Exposure Drafts





Current Exposure Drafts

- **ED 126** *Proposed Amendments to GRAP 16 and GRAP 17 (30 January 2015)*
 - **ED 127** *Proposed Amendments to GRAP 21 and GRAP 26 (30 January 2015)*
 - **ED 128** *Proposed GRAP Reporting Framework for 2015/2016 and Amendments to Directive 5 (30 January 2015)*
 - **ED 129** *Accounting by Principals and Agents (17 April 2015)*
- 



ED 126

**Proposed Amendments
GRAP 16 and GRAP 17**



Proposed Amendments to GRAP 16 and GRAP 17

- Additional guidance/examples to distinguish investment property from PPE
- Indicator approach to assess useful lives & residual values
- Clarification on use of internal and external valuers
- Disclosure of WIP per asset class, WIP taking significant time and reason for halting WIP
- Deletion of encouraged disclosures
- Separate disclosure of repairs and maintenance



ED 127

**Proposed Amendments
GRAP 21 and GRAP 26**



Proposed Amendments to GRAP 21 and GRAP 26

- Simplify approach to distinguish between CG and NCG - classification **moved away** from **use** to generate commercial return to measurement basis that **best reflects entity's objective** (DRC)
- Clarify that asset impaired **only if permanent or significant** decline in value of SP or FEB (minor damages = repairs and maintenance)
- Specific matters for comment
 - Feasibility of one measurement approach
 - Feasibility of combining the two Standards



ED 128

**Proposed GRAP Reporting
Framework for 2015/2016**





Proposed GRAP Reporting Framework for 2015/2016

- Annual Exposure Draft with objective to update Directive 5 *Determining the GRAP Reporting Framework*
- Proposed amendments include all new effective GRAPs
 - Improved GRAPs,
 - GRAP 105-107 and GRAP 18
 - Directive 11
- No new IPSASB or IASB pronouncements






ED 129

Accounting by Principals and Agents






Principals and Agents

- Comment on ED 122 considered at December 2014 ASB meeting
 - Re-exposure of proposed GRAP in response to concerns raised during comment process
 - Amendments from ED 122 include:
 - Level of assessment transaction-based rather than at an activity level
 - No definition of beneficial control (only criteria)
- 



Principals and Agents

- Amendments from ED 122 include (continue):
 - How beneficial control assessed was amended → test whether agent and if not, entity will then be principal by default
 - References added to applicable GRAPs when asset and/or liability need to be recognised
 - Additional disclosure requirements for agents
- 



Other developments





Other developments

- Review feedback on DP 9 and DP 10
- Determining the Reporting Framework for GBEs
- IGRAP on Recognition and Derecognition of Land
- Guideline on Housing Schemes





THANK YOU



Contacts

- www.asb.co.za
- Info@asb.co.za
- 011 697 0660 (office)
- 011 697 0666 (fax)