national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

GRAP 20 – Related Party Disclosures

Effective 1 April 2021

DEFINITIONS

A **related party** is a person or entity with the ability to control or jointly control the other entity, or exercise significant influence over the other party, or visa versa, or an entity that is subject to common control, or joint control

A **related party transaction** is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged

A **person** or **a close member** of that person's family is related to an entity if that person**:**

- Has control or joint control over the entity
- Has significant influence over the entity
- Is a member of management of the entity or its controlling entity

An entity is related to the reporting entity if any of the following conditions apply:

- The entity is a member of the same economic entity;
- One entity is an associate or joint venture of the other entity
- Both entities are joint ventures of the same third party
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity
- The entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity
- The entity is controlled or jointly controlled by a person or close member of that person's family identified as a related party
- A person or close member of that person's family identified as a related party has significant influence over that entity or is a member of management of that entity or its controlling entity

DISCLOSURES

Relationships where control exists
Regardless of whether there have been transactions, disclosure of the name of its controlling party and if different, ultimate controlling party

Related party transactions
Only if there have been transactions, disclose:

- The nature of related party relationship
- Amount of the transactions
- Amount of outstanding balances, including commitments
- Provisions for doubtful debts related to the amount of outstanding balances
- Expenses recognised during the period in respect of bad or doubtful debts due from related parties

Exemption from disclosures if the transaction occurs within
Normal supplier and/or client/recipient relationship and T&Cs

Key management personnel compensation
Disclose in total, for each class of management, the following categories:

- Fees for services as a member
- Basic salary
- Bonuses and performance related payments
- Other short-term employee benefits
- Post-employment benefits
- Other long-term benefits
- Termination benefits
- Commission, gain or surplus sharing arrangements
- Any other benefits received