national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

GRAP 37 – Joint Arrangements

Effective 1 April 2021

JOINT OPERATIONS

Consolidated / individual financial statements
Financial statements of parties to a joint arrangement → joint operator recognises in relation to its interest in a joint operation:
- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue form the sale of its share of the output arising from the joint operation
- Its expenses, including its share of any expenses incurred jointly

The above are accounted for in accordance with the relevant Standards of GRAP

Separate financial statements
Same treatment as for consolidated / individual financial statements detailed above

JOINT VENTURES

Consolidated / individual financial statements
Financial statements of parties to a joint ventures → joint venturer recognises in relation to its interest in a joint venture as an investment using the equity method, unless it is exempted from applying the equity method, in terms of GRAP 36

Separate financial statements
Recognise interest either
a) at cost,
b) in accordance with GRAP 104 on Financial Instruments or
c) using the equity method

RECOGNITION AND MEASUREMENT: ENTITIES THAT PARTICIPATE, BUT DO NOT HAVE JOINT CONTROL ('NON-JOINT CONTROLLING PARTIES')

In some instances, there may be other parties who are investees in a joint arrangement but do not themselves have joint control of the joint arrangement

JOINT OPERATIONS (non-joint controlling party has contractual rights and obligations to assets, liabilities, revenues and expenses)

Account for its contractual share of assets, liabilities, expenses, and revenues in both its consolidated / individual financial statements and separate financial statements

JOINT OPERATIONS (non-joint controlling party does not have contractual rights and obligations to assets, liabilities, revenues and expenses)

JOINT VENTURES

Consolidated / individual financial statements
Assess for significant influence:
if present: apply the equity method (unless the entity is exempted from applying the equity method)
If not present: treat as financial asset

Separate financial statements
Assess for significant influence:
if present: either (i) at cost (ii) financial asset or (iii) equity method
If not present: treat as financial asset