



APPENDIX: 1 APRIL 2024

PUBLIC ENTITIES, CONSTITUTIONAL INSTITUTIONS, PARLIAMENT AND THE PROVINCIAL LEGISLATURES, MUNICIPALITIES AND MUNICIPAL ENTITIES, TRADING ENTITIES, PUBLIC TVET COLLEGES AND PUBLIC CET COLLEGES

This appendix forms part of this Directive.

This appendix lists the standards and pronouncements that are the GRAP Reporting Framework for public entities, constitutional institutions, Parliament and the Provincial Legislatures, Municipalities and Municipal Entities, Trading Entities, Public TVET Colleges and Public CET Colleges effective for financial periods commencing on or after 1 April 2024 and should be applied as set out in paragraphs .05 and .06 of this Directive.

1. Entities are required to apply the Standards of GRAP where the Minister has determined the effective date. The Financial Management of Parliament Amendment Act, Act No. 34 of 2014, requires Parliament and the Provincial Legislatures to prepare their financial statements in accordance with the Standards of GRAP. Any notice published by the Minister of Finance outlining the effective dates of the Standards of GRAP should be read in conjunction with the Financial Management of Parliament Amendment Act. The Minister has determined the effective date for the Standards of GRAP outlined below (paragraph .09 of this Directive):

Reference	Topic
GRAP 1 ¹	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property

¹ GRAP 1 on *Presentation of Financial Statements* (going concern) is not yet effective as the Minister of Finance has not yet determined an effective date, entities may consider using the revised Standard in formulating an accounting policy.

Reference	Topic
GRAP 17	Property, Plant and Equipment
GRAP 18	Segment Reporting
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 20	Related Party Disclosures
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 32	Service Concession Arrangements: Grantor
GRAP 34	Separate Financial Statements
GRAP 35	Consolidated Financial Statements
GRAP 36	Investments in Associates and Joint Ventures
GRAP 37	Joint Arrangements
GRAP 38	Disclosure of Interests in Other Entities
GRAP 100	Discontinued Operations
GRAP 103 ²	Heritage Assets
GRAP 104 ³	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers
GRAP 108	Statutory Receivables
GRAP 109	Accounting by Principals and Agents
GRAP 110	Living and Non-living Resources

2. Directives issued and effective that entities are required to apply (paragraph .14 of this Directive):

² GRAP 103 on *Heritage Assets* is not yet effective as the Minister of Finance has not yet determined an effective date, entities may consider using the revised Standard in formulating an accounting policy.

³ GRAP 104 on *Financial Instruments* (Revised 2019) is effective for financial years commencing on or after 1 April 2025. Entities may early adopt the Standard before the effective date. In this instance, the entire Standard needs to be adopted early. Piecemeal adoption is not permitted.

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2	Transitional Provisions for Public Entities, Trading Entities, Municipal Entities, Public Technical and Vocational Education and Training Colleges and Constitutional Institutions
Directive 3	Transitional Provisions for High Capacity Municipalities
Directive 4	Transitional Provisions for Medium and Low Capacity Municipalities and Trading Entities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)
Directive 7	The Application of Deemed Cost
Directive 8	Transitional Provisions for Parliament and the Provincial Legislatures
Directive 9	The Application of the Standards of GRAP by Trading Entities
Directive 10	Application of the Standards of GRAP by Public Technical and Vocational Education and Training Colleges
Directive 11	Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP
Directive 12	The Selection of an Appropriate Reporting Framework by Public Entities
Directive 13	Transitional Provisions for the Adoption of Standards of GRAP by Community Education and Training Colleges
Directive 14	The Application of Standards of GRAP by Public Entities that Apply IFRS [®] Accounting Standards

3. Interpretations of the Standards of GRAP approved that entities are required to apply (paragraph .10 of this Directive):

Reference	Topic
IGRAP 1	Applying the Probability Test on Initial Recognition of Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
IGRAP 6	Loyalty Programmes

Reference	Topic
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets – Website Costs
IGRAP 17	Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset
IGRAP 18	Recognition and Derecognition of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue
IGRAP 21	The Effect of Past Decisions on Materiality

4. Approved guideline of Standards of GRAP that entities are required to apply (paragraph .15 of this Directive):

Reference	Topic
Guideline	Accounting for Arrangements Undertaken in terms of the National Housing Programme
Guideline	Accounting for Landfill Sites

5. Effective IFRS Accounting Standards and IFRIC Interpretations⁴ that entities may apply to the extent that they are applicable (paragraphs .12 to .21 of this Directive):

Reference	Topic
IFRS 4	Insurance Contracts
IFRS 6	Exploration for and Evaluation of Mineral Resources
IAS 12	Income Taxes
SIC – 25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
SIC – 29	Service Concession Arrangements – Disclosures

⁴ IFRS Accounting Standards and IFRIC Interpretations can be downloaded from <http://www.ifrs.org>

Reference	Topic
IFRIC 12	Service Concession Arrangements
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IFRIC 23	Uncertainty Over Income Tax Treatments

6. Standards of GRAP ~~approved which are not yet effective, or~~ for which the Minister of Finance has not yet determined an effective date, that entities may consider in formulating an accounting policy (paragraph .12 of this Directive):

Reference	Topic
<u>GRAP 1¹</u>	<u>Presentation of Financial Statements (Amendments on going concern approved December 2022)</u>
<u>GRAP 103²</u>	<u>Heritage Assets (Amendments approved June 2022)</u>

7. Standards of GRAP approved for which the Minister of Finance has determined an effective date, entities are permitted to adopt the Standards of GRAP and/or any related Interpretations of the Standards of GRAP earlier than the date specified (paragraph .11 of this Directive)

Reference	Topic
GRAP 104 ³	Financial Instruments

8. Interpretations of the Standards of GRAP which are not yet effective but where early adoption is encouraged:

None.

9. Guidelines which are not authoritative where entities are encouraged to apply the Guideline when preparing their financial statements:

Reference	Topic
Guideline	The Application of Materiality to Financial Statements

Basis for conclusions

This basis for conclusions gives the Accounting Standards Board's (the Board's) reasons for accepting or rejecting certain proposals related to the specific pronouncements included in, or excluded from, the GRAP Reporting Framework. This basis for conclusions accompanies, but is not part of, this Directive.

Reporting Framework 2023/24

BC1. The effective dates for new or amended pronouncements issued by the ASB are either approved by the Minister of Finance (new Standards of GRAP and their amendments) or the Board. As a result, changes to the Reporting Framework are based on the effective dates approved by the Minister or the Board. For financial periods commencing on or after 1 April 2023, the following pronouncements will be effective:

- Revised GRAP 25 on *Employee Benefits* and related IGRAP 7 on *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.
- Amendments to GRAP 1 on *Presentation of Financial Statements* as a result of changes agreed as part of developing the Guideline on *The Application of Materiality to Financial Statements*.
- *Improvements to the Standards of GRAP, 2020*.
- Guideline on *Accounting for Landfill Sites*.

BC2. The revised Standard of GRAP on *Financial Instruments* (2019) is excluded from the Reporting Framework as it is only effective from 1 April 2025. Entities are permitted to early adopt the Standard. The Standard must, however, be adopted in its entirety. The amendments to the Standard of GRAP on *Heritage Assets* are also excluded as no effective date has been determined by the Minister.

BC3. The Board reviewed the status of international pronouncements issued by the IPSASB and IASB and assessed whether changes should be made to the Reporting Framework. The Board agreed that the following pronouncements issued by the IPSASB and IASB should continue to be excluded from the GRAP Reporting Framework and not applied by entities:

- IPSAS 39 on *Employee Benefits* – The revised GRAP 25 on *Employee Benefits* will be applied for the first time from 1 April 2023.
- IPSAS 40 on *Public Sector Combinations* – A project to compare the requirements of IPSAS 40 and the equivalent Standards of GRAP is in progress. Changes will be proposed to the existing Standards of GRAP rather than adopting IPSAS 40.
- IPSAS 41 on *Financial Instruments* – GRAP 104 revised in 2019 will be effective for entities from 1 April 2025.
- IPSAS 42 on *Social Benefits* – The Board is developing an equivalent Standard of GRAP. Board decisions to date indicate that significant departure from IPSAS 42 is likely as its principles do not result in relevant information for users locally about social benefit schemes in South Africa.
- IFRS 13 on *Fair Value Measurement* – The definition of fair value in Standards of GRAP has not been revised to align with IFRS Standards. The IPSASB is

developing an IPSAS on *Measurement* which will be considered locally once issued.

- IFRS 14 on *Regulatory Deferral Accounts* – This IFRS Standard is only applied on the first-time adoption of IFRS as a reporting framework.
- IFRS 15 on *Revenue from Contracts with Customers* – The IPSASB is developing an equivalent IPSAS(s) which will be considered by the Board once issued.
- IFRS 16 on *Leases* – The IPSASB issued IPSAS 43 on *Leases* which is based on IFRS 16. The IPSASB is in the process of assessing what guidance is needed for public sector specific lease transactions. Once this is completed, the Board will consider the impact of this Standard(s) locally.
- IFRS 17 on *Insurance Contracts* – The Board is assessing the extent to which entities should consider IFRS 17 for insurance, or insurance-like activities. IFRS 17 is only effective in the private sector in 2023.

Reporting Framework 2024/25

BC4. There are no new or amended pronouncements that are effective for financial periods commencing on or after 1 April 2024.

BC5. The amendments to the Standard of GRAP on *Presentation of Financial Statements* (going concern) that were approved by the Board in December 2022 are excluded as no effective date has been determined by the Minister.

BC6. The amendments to the Standard of GRAP on *Heritage Assets* that were approved by the Board in June 2022 are excluded as no effective date has been determined by the Minister.

BC7. The Board reviewed the status of international pronouncements issued by the IPSASB and IASB and assessed whether changes should be made to the Reporting Framework. The Board agreed that the following pronouncements issued by the IPSASB and IASB should be excluded from the GRAP Reporting Framework and not applied by entities:

- IPSAS 43 on *Leases* – The Board will consider IPSAS 43 in a future work programme.
- IPSAS 44 on *Non-current Assets Held for Sale and Discontinued Operations* – entities should apply GRAP 100 on *Discontinued Operations* as part of the GRAP Reporting Framework.
- IPSAS 45 on *Property, Plant and Equipment* – The Board will consider the revisions to IPSAS 45 in a future work programme.
- IPSAS 46 on *Measurement and Conceptual Framework Update: Chapter 7, Measurement of Assets and Liabilities in Financial Statements* - The impact of these changes on the GRAP Reporting Framework will be considered in the 2024 to 2026 work programme.
- IPSAS 47 on *Revenue* – The impact of the Standard may be reviewed in the 2024 to 2026 work programme. A project to revise the Standards of GRAP on revenue will be considered in the next work programme.

- IPSAS 48 on *Transfer Expenses* – The impact of the Standard on the GRAP Reporting Framework will be considered in the work programme for 2024 to 2026.
- IFRS 17 was effective in the private sector from 1 January 2023. The Board is assessing the extent to which entities should consider IFRS 17 for insurance, or insurance-like activities as part of the GRAP Reporting Framework. Entities should not change their accounting policies for insurance or insurance-like activities.

BC8. An amendment was made to paragraph .15 to align the Directive with the Due Process Handbook. The Board may include Guidelines in the GRAP Reporting Framework.