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Attachment 3(b)

MINUTES OF THE PROJECT GROUP MEETING OF THE ACCOUNTING STANDARDS BOARD ON PROPOSED AMENDMENTS TO THE STANDARD OF GRAP ON *ACCOUNTING BY PRINCIPALS AND AGENTS* HELD ON 12 MAY 2026

Present:

K Khunou	SAIGA
K Maretela	SAIGA
M Mentz	AGSA
D Molewa	SAIGA
K Sethusha	SAIGA
K Tsoeutu	SAIGA

Secretariat:

A Botha	Standard setter
N Imam-Shah	Standard-setter
S Nondlazi	Standard-setter
E van der Westhuizen	Head of Technical

1. WELCOME AND APOLOGIES

Members were WELCOMED to the project group meeting.

2. CONFIRMATION OF AGENDA

The agenda was CONFIRMED.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 13 August 2025 were CONFIRMED.

4. AMENDMENTS TO THE STANDARD OF GRAP ON *ACCOUNTING BY PRINCIPALS AND AGENTS* (GRAP 109) (ED 215)

4.1 The Secretariat TABLED the following documents at the meeting:

- Memorandum from the Secretariat.
- Summary of written and verbal comment received on ED 215 on *Proposed Amendments to the Standard of GRAP on Accounting by Principals and Agents (GRAP 109)*.
- Proposed Final *Amendments to the Standard of GRAP on Accounting by Principals and Agents.*

Background and purpose of the discussion

4.2 The Secretariat NOTED the background to ED 215. It was NOTED that the purpose of the discussion was for project group members to consider the comment received on ED 215, the Secretariat's proposed responses and action to address the comment and the proposed final amendments to GRAP 109 for recommendation to the Technical Committee.

Consultation process followed

4.3 The Secretariat NOTED the consultation process followed to raise awareness about ED 215. The Secretariat NOTED its conclusion that all the stakeholders identified in the project brief had sufficient opportunity to participate in the due process.

Key issues for consideration

4.4 The Secretariat NOTED the following key issues for consideration and the Secretariat's proposals to address them:

- Inclusion of modification examples to explain when a binding arrangement is modified.
- Request to include additional examples in GRAP 109 to further explain the accounting principles.
- The development of practical guidance and case studies outside GRAP 109.

<u>Modification examples</u>

4.5 It was NOTED that the first proposed example of a binding arrangement modification involves "additional" activities and related transactions to the arrangement. GRAP 109 requires an entity to make an assessment of each activity and resulting transaction in understanding the rights and obligations and the terms and conditions of the binding arrangement to conclude on the nature of the arrangement. As the assessment is not done at an arrangement level, additional “activities” will not change the nature of the arrangement previously concluded in the binding arrangement. It was PROPOSED that the example be amended.

4.6 After some debate, it was AGREED that, to better explain the modification requirements, the example in paragraph .08K(a) should be amended to explain that a change to an existing activity or transaction may result in a modification to the assessment of whether the activity and any related transactions continue to be a principal-agent arrangement.

Secretariat

Additional examples in GRAP 109

4.7 It was NOTED that one of the respondents proposed that an example be included to explain the difference between a service provider contract and a binding arrangement. It was QUESTIONED whether the intention of the comment was rather for the example to illustrate the difference between a principal-agent arrangement and a service provider contract, because a service provider contract is a binding arrangement. It was PROPOSED that such an example in GRAP 109 will be useful and should be considered, as this is a challenge in practice.

4.8 The Secretariat INDICATED that, in its view, there are already sufficient examples available to explain the difference between a service provider contract and a principal-agent arrangement, including the Illustrative Examples in the Standard, examples in the FAQ, and the OAG’s presentation.

5. SUMMARY OF VERBAL AND WRITTEN COMMENT ON ED 215

5.1 Project group members NOTED the verbal and written comment received and the Secretariat’s proposed responses thereto.

5.2 The response to written comment 1.7.2 was QUESTIONED. It was NOTED that the comment and proposed action are circular, as the action proposes that the comment be referred to the OAG for consideration in developing implementation guidance, even though the OAG made the comment.

5.3 It was NOTED that once the amendments to GRAP 109 are finalised, the Secretariat will engage with the OAG to share any relevant comment for their consideration in developing implementation guidance, including those raised by its own representatives.

5.4 It was QUESTIONED whether the comment in verbal comment 3.4.3 on whether a third party needs to know that an agent is undertaking transactions on behalf and for the benefit of a principal, can be addressed in implementation guidance. It was AGREED that once the amendments to GRAP 109 are finalised, the Secretariat will consider clarifying this principle in Frequently Asked Question 4.11.

Secretariat

5.5 Members AGREED with the action proposed by the Secretariat to the other verbal and written comment received during the due process.

Secretariat

6. RE–EXPOSURE OF ED 215

Project group members NOTED the conclusion from the Secretariat that a re-exposure of ED 215 is not needed. Members AGREED with this conclusion.

Secretariat

7. NEXT STEPS

The next steps were NOTED.

8. GENERAL

There were no further matters raised for discussion.

9. CLOSING REMARKS

Members were THANKED for their time to prepare for the meeting, and for their participation and input at the meeting.

Prepared by:	**A Botha**	**15 May 2026**
Reviewed by:	**E van der Westhuizen**	**18 May 2026**