ACCOUNTING STANDARDS BOARD
40 Church Square
Pretoria
0002
Tel.011 697 0660
www.asb.co.za

Attachment 3(c)

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:

M Dullabh	Office of the Accountant-General
P Lekay	City of Cape Town
A Sheik	City of Johannesburg

Secretariat:

A Botha	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>Additional examples in GRAP 109</u>

4.5 Members NOTED that entities still have practical challenges in interpreting the principle that the "direction" given by the principal does not imply an active action. The Secretariat NOTED that respondents to ED 215 agreed with the additional clarification included in GRAP 109. No further amendment was therefore PROPOSED.

4.6 A representative from the Office of the Accountant-General (OAG) NOTED that once the amendments to GRAP 109 are finalised, the OAG will update the Modified Cash Standard requirements to align with GRAP 109. The representative also NOTED that the OAG may consider developing a GRAP Accounting Guideline at a future point in time.

5. SUMMARY OF VERBAL AND WRITTEN COMMENT ON ED 215

Project group members NOTED the comment received and AGREED with the Secretariat's proposed responses thereto.

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**