



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

Chief Financial Officers/Accounting Officers/Audit Committee Members

Per email

xx October 2026

Dear Chief Financial Officer/Accounting Officer/Audit Committee Member

REPORTING FRAMEWORK AND THE STATUS OF IPSAS AND IFRS® ACCOUNTING STANDARDS

The Accounting Standards Board (the Board) updates Directive 5 on *Determining the GRAP Reporting Framework* each year to include the reporting framework for the upcoming reporting period. The reporting framework applicable to each period is included in an Annexure to the Directive. The Annexure outlines the pronouncements issued by the Board, the International Public Sector Accounting Standards Board (IPSASB) and the International Accounting Standards Board (IASB) that should either be applied or considered by entities in preparing their financial statements.

Newly effective Standards of GRAP, or amendments to existing Standards

The Minister of Finance approves the effective dates of new Standards of GRAP and any amendments to existing Standards. For the financial period commencing on or after 1 April 2027, certain amendments to Standards have been approved by the Minister of Finance. These amendments are discussed in Annexure A.

Status of IPSAS and IFRS Accounting Standards

There are several IPSAS and IFRS Accounting Standards that are in issue and questions have been raised about whether they should be considered by entities. IPSAS or IFRS Accounting Standards are used to formulate an accounting policy when certain criteria are met, as specified in GRAP 3 on *Accounting Policies, Changes in Accounting Estimates and Errors*. Any IPSAS or IFRS Accounting Standards which the Board believes should be considered by entities in formulating accounting policies are included in the Annexures to Directive 5. The table in Annexure B of this communication explains which IPSAS or IFRS Accounting Standards are *not* suitable for application with supporting rationale.

It is important to note that pronouncements of other standard-setters can only be used to formulate accounting policies; they are not adopted by entities.

Any queries related to this communication should be submitted to elizna@asb.co.za.

Board Members: Mr A van der Burgh (Chair), Mr I Engelmohr, Mr A Hardien, Ms W de Jager,
Mr D Dlamini, Mr S Gcwabe, Mr S Khan, Ms A Muller
Chief Executive Officer: Mrs J Poggiolini



Elizna van der Westhuizen

Head of Technical

Annexure A – Changes to the Standards of GRAP

- a) The following amendments to pronouncements are effective for financial periods commencing on or after 1 April 2027:
- Amendments to GRAP 1 on *Presentation of Financial Statements* (amendments on going concern)
 - Amendments to GRAP 103 on *Heritage Assets*
 - Amendments to GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers
- b) The Minister of Finance has determined 1 April 2028 as the effective date for *Improvements to Standards of GRAP, 2023*. As an effective date has been determined, entities may adopt these improvements early.
- c) The Board approved GRAP 111 on *Social Benefits* in March 2026. GRAP 111 is a new Standard of GRAP. Therefore, entities may use the Standard to develop accounting policies before the Minister of Finance determines an effective date.

Annexure B – Status of international Standards

- a) The table below outlines a list of recently issued IPSAS and IFRS Accounting Standards that are not included in the GRAP Reporting Framework and are not suitable for application by entities, either by directly adopting them or using them to formulate accounting policies.

Title of Standard	Status
IPSAS 40 on <i>Public Sector Combinations</i>	GRAP 105 on <i>Transfers of Functions Between Entities Under Common Control</i> , GRAP 106 on <i>Transfers of Functions Between Entities Not Under Common Control</i> , and GRAP 107 on <i>Mergers</i> deal with “public sector combinations”. The Minister of Finance has determined an effective date of 1 April 2027.
IPSAS 42 on <i>Social Benefits</i>	The Board approved GRAP 111 on <i>Social Benefits</i> in March 2026. Entities may use this Standard to develop accounting policies.
IPSAS 43 on <i>Leases</i>	A research project which will consider IPSAS 43 is included in the 2027 – 2029 work programme to inform amendments to GRAP 13 on <i>Leases</i> .
IPSAS 44 on <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Entities should apply GRAP 100 on <i>Discontinued Operations</i> as part of the GRAP Reporting Framework.
IPSAS 45 on <i>Property, Plant and Equipment</i>	Revisions relating to infrastructure assets are included in the <i>Improvements to Standards of GRAP, 2026</i> . The Board will consider the remaining new guidance in IPSAS 45 in other projects, such as the measurement project.
IPSAS 46 on <i>Measurement</i>	The Board is developing a Standard of GRAP on <i>Measurement</i> based on IPSAS 46, which includes guidance from IFRS 13 on <i>Fair Value Measurement</i> .
IPSAS 47 on <i>Revenue</i>	Research on the impact of the Standard will be conducted as part of the 2027 – 2029 work programme. The next phase in the project will be determined by the outcome of the research.
IPSAS 48 on <i>Transfer Expenses</i>	The issues paper on the impact of the Standard for entities that apply the GRAP Reporting Framework will be considered at the December 2026 Board meeting. The next phase of the project will be informed by the Board's decisions from the issues paper.
IPSAS 49 on <i>Retirement Benefit Plans</i>	The Board did not find IPSAS 49 relevant to the South African environment.
IPSAS 51 on <i>Tangible Natural Resources Held for Conservation</i>	The IPSASB approved the Standard in December 2025, and it is effective for financial periods beginning on or after 1 January 2028. The Board will assess the relevance and implications of the Standard locally in a future work programme.
IFRS 14 on <i>Regulatory Deferral Accounts</i>	The Standard only applies to first-time adopters of IFRS Accounting Standards. It is not applicable to entities that apply Standards of GRAP.

	IFRS 14 will be replaced by IFRS 20 on <i>Regulatory Assets and Regulatory Liabilities</i> when it becomes effective.
IFRS 18 on <i>Presentation and Disclosure in Financial Statements</i>	The IPSASB is progressing a project on <i>Presentation of Financial Statements</i> and has issued a Consultation Paper which will be followed by an Exposure Draft. A project to revise the Standards of GRAP will be considered after the completion of the IPSASB project.
IFRS 19 on <i>Subsidiaries without Public Accountability: Disclosures</i>	The Standard may have limited application locally. Previous research by the Board concluded that most entities in the public sector are publicly accountable.
IFRS 20 on <i>Regulatory Assets and Regulatory Liabilities</i>	The Standard will be effective on 1 January 2029 and is excluded from the 2027/28 GRAP Reporting Framework. The Board will consider any potential implications of the Standard during a future work programme consultation.

- b) The table below outlines a list of recently issued IPSAS and IFRS Accounting Standards that are included in the GRAP Reporting Framework and are suitable for application by entities, either by directly adopting them or using them to formulate accounting policies.

Title of Standard	Status
IPSAS 50 on <i>Exploration for and Evaluation of Mineral Resources</i>	IFRS 6 on <i>Exploration for and Evaluation of Mineral Resources</i> was previously included in the reporting framework for entities to use in developing accounting policies. Following the issue of IPSAS 50 on <i>Exploration for and Evaluation of Mineral Resources</i> (which is based on IFRS 6), the Board concluded that IPSAS 50 should be used instead of IFRS 6. IPSAS 50 is effective for financial periods beginning on or after 1 January 2027. Amendments to IPSAS 12 on <i>Inventories</i> , which incorporate interpretive guidance on stripping costs in the production phase of a surface mine, were published alongside IPSAS 50, and may also be used to develop accounting policies.