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Chief Financial Officers/Accounting Officers

Per email

xx October 2025

Dear Chief Financial Officer/Accounting Officer

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 2026, no new Standards or amendments to Standards have been approved by the Minister. The changes to the reporting framework 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.

Elizna van der Westhuizen

Head of Technical

Annexure A – Changes to the Standards of GRAP

There are no new pronouncements or amendments to pronouncements that are effective for financial periods commencing on or after 1 April 2026.

The following amendments to Standards of GRAP are approved by the Board and await an effective date to be determined by the Minister of Finance:

Topic	Status
Amendments to GRAP 1 on *Presentation of Financial Statements* (Amendments on going concern, approved December 2022)	Effective date to be determined. Amendments may not be used to formulate accounting policies.
Amendments to GRAP 103 on *Heritage Assets* (Approved June 2022)	Effective date to be determined. Amendments may not be used to formulate accounting policies.
Improvements to the Standards of GRAP 2023 (Approved September 2023)	Effective date to be determined. Amendments may not be used to formulate accounting policies.
Amendments to GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers	Effective date to be determined. Amendments may not be used to formulate accounting policies.

Annexure B – Status of international Standards

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 *Public Sector Combinations*	GRAP 105 on *Transfers of Functions Between Entities Under Common Control,* GRAP 106 on *Transfers of Functions Between Entities Not Under Common Control,* and GRAP 107 on *Mergers* deal with "public sector combinations". The amended Standards have been submitted to the Minister of Finance to approve the effective date.
IPSAS 42 on *Social Benefits*	The Board is developing a Standard of GRAP on *Social Benefits*. It is likely that the Standard will depart significantly from IPSAS 42.
IPSAS 43 on *Leases*	A research project which will consider IPSAS 43 is included in the 2027 – 2029 work programme to inform amendments to GRAP 13 on *Leases*.
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*	Revisions relating to infrastructure assets are included in the *Improvements to Standards of GRAP, 2026*. The Board will consider the remaining new guidance in IPSAS 45 in other projects, such as the measurement project.
IPSAS 46 on *Measurement*	The Board is developing a Standard of GRAP on *Measurement* based on IPSAS 46, which includes guidance from IFRS 13 on *Fair Value Measurement.*
IPSAS 47 on *Revenue*	Research on the impact of the Standard will be conducted in the 2027 – 2029 work programme. The next phase in the project will be determined by the outcome of the research.
IPSAS 48 on *Transfer Expenses*	A research project on the impact of the Standard for entities that apply the GRAP Reporting Framework is included in the 2024-2026 work programme. The next phase in the project will be determined by the outcome of the research.
IPSAS 49 on *Retirement Benefit Plans*	The Board did not find IPSAS 49 relevant to the South African environment.
IPSAS 50 on *Exploration for and Evaluation of Mineral Resources*	The Standard is applicable for financial periods beginning on or after 1 January 2027. For the 2026/27 reporting period, entities may continue to develop accounting policies based on IFRS 6 on *Exploration for and Evaluation of Mineral Resources*. IPSAS 50 will replace IFRS 6 in the 2027/28 reporting framework.
IFRS 14 on *Regulatory Deferral Accounts*	The Standard only applies to first-time adopters of IFRS Accounting Standards. It is not applicable to entities that apply Standards of GRAP.

IFRS 18 on *Presentation and Disclosure in Financial Statements*	The IPSASB is progressing a project on *Presentation of Financial Statements*. A project to revise the Standards of GRAP will be considered after the completion of the IPSASB project.
IFRS 19 on *Subsidiaries without Public Accountability: Disclosures*	The Standard may have limited application locally. Previous research by the Board concluded that most entities in the public sector are publicly accountable.