

## FEEDBACK STATEMENT – ED 208 AMENDMENTS TO THE DIRECTIVE ON DETERMINING THE GRAP REPORTING FRAMEWORK (DIRECTIVE 5)

This Feedback Statement outlines feedback received on ED 208 and the Board’s responses thereto

**Overview**

The Amendments to the Directive on *Determining the GRAP Reporting Framework* (Directive 5) were developed to enhance the clarity of certain principles contained in Directive 5.

This Feedback Statement outlines feedback received by the Accounting Standards Board (the Board) on ED 208 *Amendments to the Directive on Determining the GRAP Reporting Framework* and the Board’s decisions in approving the final revisions to Directive 5 after considering respondents’ comments.

**Consultation process**

The Board approved ED 208 on 30 April 2024 with a comment due date of 30 June 2024.

The Board followed a public consultation process in accordance with its Due Process Handbook that is available on the ASB website - [Due Process Handbook – ASB](#).

**Supporting material**

The Board’s analysis of the verbal and written comment received on ED 208, along with the responses thereto.

These materials can be accessed on the [ASB website](#).

**Next steps**

The Board approved the *Amendments to the Directive on Determining the GRAP Reporting Framework*, along with the reporting framework. for 2025/26, in September 2024. Entities should apply the 2025/26 reporting framework from 1 April 2025.



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What we heard	
<b>General support</b>	Respondents in general supported the revisions proposed to the Directive.
<b>Definitions</b>	<p>Generally respondents supported the inclusion of definitions of a “new Standard of GRAP” and an “amendment to a Standard of GRAP”, noting that the inclusion of definitions is helpful in assessing when entities are permitted to developed accounting policies.</p> <p>Some respondents highlighted a potential challenge in distinguishing between new and amended Standards of GRAP, as major revisions to Standards could be read as new Standards. They requested that the Board indicate for each issued Standard whether it is “new” or an “amendment”.</p> <p>The Board clarified in the basis for conclusions that both minor and significant changes to Standards meet the definition of “amendments to Standards of GRAP”. The Board concluded that from 2025/26, the Annexures to the Directive will specify which Standards are new and which are amended.</p>
<b>Application of amendments to Standards of GRAP</b>	<p>Stakeholders raised concerns about entities not being permitted to use amendments to Standards of GRAP to develop accounting policies before the Minister of Finance determines an effective date.</p> <p>The Board clarified in the basis for conclusions that the Minister of Finance is the authorised body for approving both the Standards of GRAP and any amendments thereto. Consequently, entities should not use requirements (amendments) that have not yet been approved by the Minister of Finance to amend existing accounting policies based on Standards of GRAP approved by the Minister of Finance. Amendments may be early adopted in full once the Minister of Finance determines an effective date.</p>
<b>Application of pronouncements by other standard setters</b>	<p>Respondents expressed concerns that entities are only permitted to apply Standards and pronouncements issued by other standard setters that are included in the appendices of Directive 5, in the absence of an existing Standard of GRAP addressing a specific transaction or event.</p> <p>The Board reviews the status of pronouncements issued by the IPSASB and IASB annually to determine pronouncements that form part of the GRAP Reporting Framework. The Board considers relevant pronouncements suitable for the local environment that meet the requirements of GRAP 3 when developing the GRAP Reporting Framework.</p>

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	<p>These amendments ensure that entities do not compromise the application of the Standards of GRAP, thereby enhancing comparability across entities and the sector.</p>
<p><b>Transitional provisions</b></p>	<p>Some stakeholders requested that transitional arrangements be included for entities that have applied pronouncements by other standard setters not included in Directive 5.</p> <p>Entities that develop accounting policies do so in accordance with the principles in GRAP 3, and any changes to the accounting policies should be done in accordance with the guidance in GRAP 3.</p>

## How to access information

<p><b>Access information on the ASB and its work programme online</b></p>	<p>Visit our website on <a href="http://www.asb.co.za">www.asb.co.za</a></p> <p>Access the translated versions of the Standards</p> <p>Subscribe to our Newsletter</p> <p>Visit the ASB YouTube channel <a href="https://www.youtube.com/channel/UC...">Accounting Standards Board - YouTube</a></p> <p> <a href="https://twitter.com/ASB_SA">@ASB_SA</a></p> <p> <a href="https://www.linkedin.com/company/accounting-standards-board">https://www.linkedin.com/company/accounting-standards-board</a></p> <p> <a href="https://www.facebook.com/AccountingStandardsBoard/">https://www.facebook.com/AccountingStandardsBoard/</a></p>
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