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

MINUTES OF THE TECHNICAL COMMITTEE MEETING OF THE ACCOUNTING STANDARDS BOARD HELD VIRTUALLY ON 5 NOVEMBER 2025

ATTENDANCE

MEMBERS OF THE COMMITTEE

CHAIRPERSON	S Gcwabe
BOARD REPRESENTATIVES	
	A Carstens (Deputy Chairperson)
	A van der Burgh
REPRESENTATIVE OF THE AGSA	
	M Mentz
REPRESENTATIVE OF THE OAG	
	L Bodewig
REPRESENTATIVE OF THE ASB	
	J Poggiolini
OBSERVER	
	W de Jager
EX OFFICIO	
A Botha	Project Manager
N Imam-Shah	Project Manager
S Nondlazi	Project Manager
E van der Westhuizen	Head of Technical

1. WELCOME AND APOLOGIES

1.1 Members were WELCOMED to the meeting. Apologies were NOTED from A Hardien.

1.2 The Chair ACKNOWLEDGED with sadness the passing of the former Board member, Professor Rashied Small, and THANKED the Secretariat for the message to the Board and on social media. It was AGREED that the Secretariat will send a message to Prof. Small's family. The Chair, Chair of the Board, and CEO each REFLECTED on the significant contributions of Prof. Small to the profession, his kind character and his enduring legacy.

Secretariat

2. CONFIRMATION OF THE AGENDA

The agenda was CONFIRMED.

3. DECLARATIONS OF INTERESTS

Members were ASKED to indicate if they had interests to declare. No declarations were NOTED other than members' standing declarations.

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 4 September 2025 were TABLED and APPROVED.

Secretariat

5. MATTERS ARISING

5.1 The Secretariat TABLED a memorandum on the matters arising from previous meetings.

Amending the Annual Performance Plan

5.2 Members AGREED that amending the 2025/26 Annual Performance Plan is not feasible given the process required and AGREED to remove the item from the matters arising.

Secretariat

GRAP 104 readiness

5.3 Members ENQUIRED how the Secretariat intends sharing the experiences of entities that are advanced in implementing the revised requirements more broadly, and the timing of the planned communication. The Secretariat NOTED the following communication activities are planned:

- High-level communication on social media, providing feedback from the Reference Group discussions (completed for the experiences shared at the meeting held on 1 October 2025).
- Short recordings of interview-style Q&A discussions with entities that are advanced in implementing the revised requirements, for the ASB YouTube Channel. These are likely to be done in early 2026 once the municipal audit cycle is completed.
- Report back on the results of the readiness assessment for publication on at least the ASB website and Knowledge Hub. The Secretariat will prepare this as soon as it has capacity to do so.

5.4 Members SUPPORTED these activities, especially the Q&A discussions. Members NOTED the urgency of these activities, but SUPPORTED the timelines proposed, given the MFMA reporting cycle that is underway. A member also NOTED that the communication should include a reminder about materiality, as some entities, such as provincial entities, are unlikely to have material receivables.

Secretariat

6. TECHNICAL MATTERS

EXPOSURE DRAFT ON PROPOSED AMENDMENTS TO CHAPTER 7 OF THE CONCEPTUAL FRAMEWORK FOR GENERAL PURPOSE FINANCIAL REPORTING – LIMITED SCOPE AMENDMENTS (ED 217)

6.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Project brief on Measurement (for information purposes)
- Invitation to Comment on Exposure Draft on *Proposed Amendments to Chapter 7 of The Conceptual Framework for General Purpose Financial Reporting – Limited Scope Amendments* (ED 217)
- Draft minutes of project group meetings

Background and objective

6.2 The Secretariat EXPLAINED the background and the timeline of the measurement project. The Secretariat NOTED the objective of the discussion was for the Technical Committee to consider ED 217, for recommendation to the Board.

Minor differences between ED 217 and the IPSAS Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities (IPSAS Conceptual Framework)

6.3 The Secretariat EXPLAINED the minor differences proposed in the ED compared to the IPSAS Conceptual Framework. Members AGREED to the minor differences proposed.

Secretariat

Value in use

6.4 The Secretariat NOTED that the ED indicates that value in use is applicable to non-cash-generating assets. This is different to the IPSAS Conceptual Framework which indicates that value in use is not applicable to non-cash-generating assets. This IPSASB decision came from their recent project titled *Amendments to IPSAS as a Result of the Application of IPSAS 46, Measurement*.

6.5 The Secretariat EXPLAINED that, as the Standard of GRAP on *Measurement* is not yet drafted, it is proposed to keep references to non-cash-generating assets under the application of value in use. Once the applicability of current operational value (COV) is assessed and consulted on locally, amendments to value in use in *The Conceptual Framework for General Purpose Financial Reporting* can be made, if stakeholders agree that the term value in use should be replaced with COV.

6.6 Members AGREED with the Secretariat's proposals. It was SUGGESTED that the basis for conclusions in ED 217 explains the differences between the ED and the IPSAS Conceptual Framework, to the extent that the ASB's technical policies require this.

Secretariat

Page-by-page review of ED 217

Invitation to Comment

6.7 Members INDICATED that the "Background and purpose" may not have enough information to enable stakeholders to understand how the changes will affect them. It was NOTED that more education on the proposed changes is required for stakeholders to provide meaningful comment. Members RECOMMENDED to add more detail to the ED and/or other communication material to explain how the changes may impact stakeholders.

Secretariat

6.8 Members QUESTIONED whether the ASB would receive valuable comment with the way specific matter for comment 2 parts (a) and (c) are phrased, EXPRESSING concerns that the words "clear" and "assist" may result in generic comment. Members SUGGESTED using the word "appropriate" or rephrasing specific matter for comment 2 to read like specific matter for comment 1.

Secretariat

Proposed Amendments to Chapter 7 of *The Conceptual Framework for General Purpose Financial Reporting*

6.9 A member ASKED for clarity on the inclusion of the term "future costs" in the last sentence of paragraph 7.23D, as it is confusing to state that future costs are likely to resemble current costs. It was EXPLAINED that the reference to "future costs" is to distinguish the information COV provides from the information that is provided when the historical cost measurement basis is used. Members RESOLVED to remove the reference to "future costs" as it is not required to convey the principle in the paragraph and may also result in confusion to others.

Secretariat

6.10 A member REFERRED to paragraph 7.75 and ENQUIRED whether it is correct that all possible outcomes are considered in the estimated cost of fulfilment. The member ASKED whether it should rather refer to all the possible outcomes for the entity because cost of fulfilment is an entity-specific measure. Members RESPONDED that the text need not be amended. An entity should consider all options available to it, and not just the ones it intends to use. The guidance on the cost of fulfilment measurement basis should be considered in its entirety, which includes that the measurement basis is entity-specific.

Other matters

6.11 A member REFERRED to the part of the memo which indicates that replacement cost is replaced by COV, and the cost approach measurement technique may have similar features to the depreciated replacement cost approach used in the current GRAP suite of Standards. With this in mind, the member ASKED whether the same applies to market value that is replaced by fair value, and the market approach technique. The Secretariat RESPONDED that the market approach measurement technique may reflect similar features as the market value measurement basis, as it uses prices and other relevant information generated by market transactions.

6.12 A member REQUESTED that the Secretariat, in their communication to stakeholders, indicate that the concept of deemed cost proposed in the ED should not be associated with Directive 7 on *The Application of Deemed Cost.*

Secretariat

6.13 Members DISCUSSED the possibility of including only the cost approach as an applicable measurement technique for COV when developing the Standard of GRAP on *Measurement.* It was NOTED that it works well for specialised assets where no active market exists. Members REQUESTED the Secretariat to consider whether it will be appropriate to include this technique as the only one applicable for other types of assets (e.g. homogenous assets) measured under COV. The Secretariat AGREED to consider this when developing the Standard of GRAP on *Measurement.*

Secretariat

6.14 Members RECOMMENDED ED 217 to the Board, subject to the agreed changes being made.

Secretariat

DRAFT REVIEW REPORT ON POST-IMPLEMENTATION REVIEW OF GRAP 108 ON STATUTORY RECEIVABLES

6.15 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Draft Review Report on *Post-implementation Review of GRAP 108 on Statutory Receivables*

6.16 Members AGREED that the key issue on "Challenges with classification of receivables" should be linked to the actions agreed for "Challenges with the recognition of revenue".

Secretariat

6.17 It was NOTED that specific sections for statutory VAT receivables and statutory VAT payables will be included in the updated mSCOA. L Bodewig AGREED to share a link of the related Frequently Asked Question with the Secretariat, for inclusion in the section on available resources. It was also AGREED that a summary of the key amendments to the updated mSCOA will be shared with members.

OAG

6.18 Editorial comment was AGREED.

Secretariat

6.19 Members RECOMMENDED the Review Report to the Board for consideration.

Secretariat

7. EMERGING ISSUES

7.1 The Secretariat TABLED a memorandum at the meeting.

Ongoing monitoring of application of Standards

7.2 Status of the ongoing matter with the RAF: Members NOTED an update on the entity's development of accounting policies for their benefit liabilities. Members, including the Secretariat and AGSA representative, REMAIN of the view that the entity should continue to apply their previous accounting policies until the social benefits project is completed.

7.3 A member ASKED whether a date has been set for meeting the IGR unit of the National Treasury to discuss the regulation of mSCOA. The Secretariat NOTED that the engagement will be instigated by the IGR unit.

7.4 Members NOTED that issues with the surrender of surplus funds are often linked to funding of multi-year projects. Another issue is the approval of retention of surplus funds late into the new financial year often means entities do not have sufficient time to spend the funds by the end of that year. Members NOTED a change may be needed in how surpluses are dealt with.

Adoption of new Standards

7.5 Members NOTED the regulated effective date of 1 April 2027 for:

- Amendments to GRAP 1 *Presentation of Financial Statements* (going concern);
- Amendments to GRAP 103 *Heritage Assets*; and
- Amendments to GRAP 105, GRAP 106 and GRAP 107 on transfers of functions and mergers.

7.6 Members also NOTED a date of 1 April 2028 was published for comment for *Improvements, 2023*.

7.7 The representative from the OAG NOTED that the ASB and AGSA were previously consulted on the effective date for *Improvements, 2023*. The representative also NOTED that comment was received on the consultation on the effective date of the other pronouncements, but no changes were required to the Standards. The comment will be SHARED with the Secretariat.

OAG

8 ADMINISTRATION

WORK PROGRAMME AND PROJECTED PERFORMANCE 2025/26

8.1 The Secretariat TABLED the following at the meeting:

- Memorandum from the Secretariat
- Work programme for 2025/26
- Monitoring convergence with the IPSASB
- Education material for preparers 2025/26 workplan
- GRAP 104 Reference Group workplan

- Frequently Asked Questions

Composition of the Technical Committee

8.2 Members NOTED that no additional skills are needed for the March 2026 meeting.

Projected performance

8.3 The Secretariat NOTED that it met with the Deputy-minister of Finance and explained the reasons for the actual year-to-date performance and projected performance for the year. The Deputy-minister was satisfied with the explanations provided.

9 INTERNATIONAL STANDARD-SETTING ACTIVITIES

The Secretariat NOTED the upcoming IPSASB meeting.

10 GENERAL

No matters were discussed under this item.

11 FUTURE MEETINGS

It was NOTED that the next meeting is scheduled for 3 March 2026. The Chair CONFIRMED that the invitations for the 2026 meetings were sent and members should inform the Secretariat if they are unable to attend any of the meetings.

12 CLOSING

Members were THANKED for the fruitful discussions at the meeting and for their participation. The meeting was CLOSED at 12:10.

Prepared by:	**E van der Westhuizen**	**11 November 2025**
Reviewed by:	Sandiso Gcwabe	
Issued:		