

Q&A on GRAP 104 on Financial Instruments (2019)

Scope

August 2026





Disclaimer

The views and opinions expressed in this presentation are those of the individual. Official positions of the ASB on accounting matters are determined only after extensive due process and deliberation.

Scope: GRAP 104 vs GRAP 108

Would debtors at municipalities be classified as statutory receivables in terms of GRAP 108 on *Statutory Receivables* and therefore fall outside the scope of GRAP 104 on *Financial Instruments*?



Scope: GRAP 104 vs GRAP 108



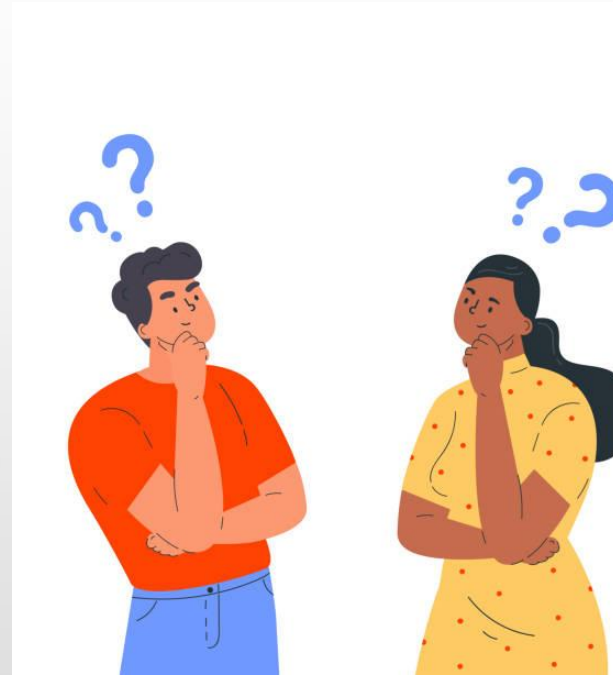
It depends on whether the receivable arises from:

- a contract – apply GRAP 104
- legislation/regulation – apply GRAP 108

NB For GRAP 104 to apply the **definition of a financial instrument** in GRAP 104 (paragraph 2.1) must be met

Scope: GRAP 104 vs GRAP 25

Does the scope exclusion in GRAP 104 paragraph 1.2(b) apply only to employee benefit plans as provided in GRAP 25 *Employee Benefits* (namely post-employment benefit plans, multi-employer benefit plans, state plans, insured benefits and incentive plans), or does GRAP 104 exclude all employee benefits as financial instruments?



Scope: GRAP 104 vs GRAP 25

GRAP 104 paragraph 1.2(b):

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for financial instruments except:

.....

(b) employers' rights and obligations under employee benefit plans, to which the Standard of GRAP on *Employee Benefits* applies;

.....



Scope: GRAP 104 vs GRAP 25



All employers' rights and obligations relating to employee benefits are **outside** the scope of GRAP 104 – apply GRAP 25

Third party payments (eg PAYE payment and portion of the UIF contribution that is made on behalf of employees) – **in scope of GRAP 104 or another Standard of GRAP**

- These are NOT liabilities for payments to an employee in exchange for an employee's service **but** payments that employer makes on behalf an Employee to third parties

Resources



Supporting Adoption of Standards – GRAP 104

- Standard and transitional provisions
- Fact Sheets and FAQs
- Q&As
- Presentations
- Placemats and Flow Charts
- Readiness and implementation
- Articles

<https://www.asb.co.za/enhancing-the-application-of-grap/>



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