

# GRAP 108 on *Statutory Receivables*





# What are statutory receivables?

- Two types of receivables exist in public sector
  - Statutory receivables = GRAP 108
  - Contractual receivables = GRAP 104
- Examples of statutory receivables include property tax, traffic fines, penalties, appropriations, grants and other fees charged in terms of legislation or similar means





# Recognition and measurement

## Recognition

- Recognition is based on whether transaction is exchange or non-exchange (GRAP 9 or GRAP 23)
- If not within scope of GRAP 9, GRAP 23 or another GRAP, it is recognised:
  - definition of asset is met and
  - probable that future economic benefits or service potential will to the entity and
  - transaction amount can be measured reliably





# Recognition and measurement

## Measurement

- Initial measurement
  - Transaction amount = amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means
  - Apply principles in GRAP 9 or GRAP 23
- Subsequent measurement
  - Adjust transaction amount for:
    - interest or other charges levied on overdue or unpaid amounts
    - impairment losses and
    - amounts derecognised





# Impairment of statutory receivables

- Annually assess for impairment by applying list of indicators
- Assess impairment of:
  - individually significant statutory receivables
  - group of similar individual significant receivables that are not individually impaired
  - individually insignificant statutory receivables with similar characteristics
- Impairment loss is measured as difference between estimated future cash flows and carrying amount
- Reversal of impairment loss if there is a change in the estimates used since the last recognised impairment loss





# Derecognition of statutory receivables

Statutory receivables, or a part thereof, are derecognised when:

- rights to cash flows from receivable are settled, expire or are waived;
- entity transfers to another party substantially all of the risks and rewards of ownership of receivable; or
- control of receivable is transferred to another party despite retaining some significant risks and rewards of ownership





# Disclosures

- Information presented should enable users to evaluate significance of statutory receivables on entity's financial position and performance
- Information presented include:
  - How it arises and how transaction amount is determined
  - Interest and other charges levied
  - Losses on statutory receivables
  - Measurement information
  - Collateral information





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