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CHIEF FINANCIAL OFFICERS, FINANCE MANAGERS

PUBLIC ENTITIES, TRADING ENTITIES, CONSTITUTIONAL INSTITUTIONS, PARLIAMENT AND PROVINCIAL LEGISLATURES, MUNICIPALITIES, MUNICIPAL ENTITIES, AND TVET AND CET COLLEGES

NEW ACCOUNTING REQUIREMENTS FOR 2020/2021

Several new accounting requirements are effective for financial years commencing on or after 1 April 2020. The annexure to this letter includes a table which outlines the new or revised pronouncements applicable to entities.

Entities are urged to plan early by identifying which Standards are relevant to their activities, developing appropriate accounting policies, and changing process, procedures etc. to support potentially revised accounting practices. Management, as well as the oversight and governance structures at entities, that are responsible for the financial statements should also be made aware of the new effective Standards and resultant changes in accounting policies.

The complete GRAP Reporting Framework as well as the relevant pronouncements can be accessed on our website. The following links may be helpful.

- Directive 5 on *Determining the GRAP Reporting Framework* and related resources: [Directive 5](#).
- Segment reporting: [GRAP 18](#).
- Interests in other entities: [GRAP 34](#); [GRAP 35](#); [GRAP 36](#); [GRAP 37](#); and [GRAP 38](#).
- Living and non-living resources: [GRAP 110](#).
- Adjustments to revenue: [IGRAP 20](#) and related amendments to [IGRAP 1](#).
- FAQs: [Link](#).
- Accounting Guidelines published by the Office of the Accountant-General at National Treasury: <https://oag.treasury.gov.za>.

Should you have any queries, please feel to contact me via email on jeaninep@asb.co.za or on 011 697 0660.

Take care and stay safe.

Yours sincerely,

Jeanine Poggiolini
Technical Director, 9 February 2021

Board Members: Mr V Ngobese (chair), Ms F Abba, Mr C Braxton, Mr K Hoosain,
Ms I Lubbe, Ms K Maree, Ms P Moalusi, Ms M Sedikela, Ms N Themba
Chief Executive Officer: Ms E Swart, Technical Director: Ms J Poggiolini



ANNEXURE

SUMMARY OF NEW OR REVISED PRONOUNCEMENTS FOR FINANCIAL YEARS COMMENCING ON OR AFTER 1 APRIL 2020

Pronouncement	Public entities, constitutional institutions, Parliament, provincial legislatures, TVET and CET colleges	Municipalities and municipal entities	Trading entities
GRAP 18 on <i>Segment Reporting</i>	Already effective	Newly effective	Already effective
GRAP 34 on <i>Separate Financial Statements*</i>	Newly effective		Not yet effective (effective 1 April 2021)
GRAP 35 on <i>Consolidated Financial Statements*</i>			
GRAP 36 on <i>Investments in Associates and Joint Ventures*</i>			
GRAP 37 on <i>Joint Arrangements</i>			
GRAP 38 on <i>Disclosure of Interests in Other Entities*</i>			
GRAP 110 on <i>Living and Non-living Resources</i>			
IGRAP 20 on <i>Adjustments to Revenue (and related amendments to IGRAP 1)</i>	Newly effective		

*Repeal GRAP 6 on *Consolidated and Separate Financial Statements*, GRAP 7 on *Investments in Associates* and GRAP 8 on *Interests in Joint Ventures* and any related Interpretations of the Standards of GRAP.