
BOARD NOTICE RAADSKENNISGEWING

BOARD NOTICE 74 OF 2007



INVITATION TO COMMENT ON THE PROPOSED DELETION OF TRANSITIONAL PROVISIONS IN THE STANDARDS OF GRAP AND DIRECTIVES CONTAINING THE TRANSITIONAL PROVISIONS

Issued: 20 July 2007

Section 89(1)(b) of the Public Finance Management Act, Act No 1 of 1999 as amended (PFMA), allows the Accounting Standards Board (the Board) to prepare and publish directives and guidelines concerning the Standards of GRAP as set in paragraph 89(1)(a) of the PFMA. The *Preface to the Standards of GRAP* determines that directives will be used to set transitional provisions and transitional arrangements for the entities required to comply with the Standards of GRAP. Directives issued by the Board in terms of section 89(1)(b) of the PFMA have the same authority as the Standards of Generally Recognised Accounting Practice (GRAP).

The Board at its meeting held on 21 June 2007 approved the invitation to comment on the deletion of transitional provisions currently included in the Standards of GRAP, and three invitations to comment on directives prescribing the specific transitional provisions for entities based on their capacity to implement the approved Standards of GRAP:

- **ED 39 - Proposed deletion of transitional provisions in Standards of GRAP**
- **ED 40 - Directive on transitional provisions for public entities and constitutional institutions**
- **ED 41 - Directive on transitional provisions for high capacity municipalities**
- **ED 42 - Directive on transitional provisions for medium and low capacity municipalities**

When the directives are approved by the Board, the Board intends to replace the transitional provisions currently included in the Standards of GRAP with the applicable directive containing the transitional provisions to be applied by entities on initial adoption of the Standard of GRAP. Where appropriate, directives will also include a paragraph dealing with the withdrawal of the Standard of GAMAP where an equivalent Standard of GRAP has been issued.

As these directives presents challenges for some preparers, auditors and users of general purpose financial statements, the Board is grateful for the time respondents are devoting to consider the issues in the invitations to comment. The responses will form a valuable input into the standard setting process, and those who might be affected by, or are interested in, the documents issued by the Board are encouraged to continue to provide responses to the documents released by the Board.

The comment period for the guideline ends on **31 October 2007**.

Copies of the exposure drafts can be downloaded from the Board's website – <http://www.asb.co.za>, or can be obtained by contacting the Board's offices on:

- Tel: 011 697 0660, or
- Fax: 011 697 0666

Comment can be emailed to info@asb.co.za or can be submitted in writing to:

Accounting Standards Board
PO Box 74129
Lynwood Ridge
0040

On request, respondents can also present their comment to the project group verbally by contacting the Board's offices.

We are looking forward to receiving your comment.