

NATIONAL TREASURY**No. 874****21 October 2011**

**ACCOUNTING STANDARDS SET BY ACCOUNTING STANDARDS BOARD
NOTICE IN TERMS OF SECTION 91(4) OF THE PUBLIC FINANCE MANAGEMENT ACT,
1999 (Act No. 1 of 199), AS AMENDED**

The draft Regulation contained in this Schedule hereto relate to Standards of Generally Recognised Accounting Practice (GRAP) on *Segment Reporting* (GRAP 18), *Transfer of Functions Between Entities Under Common Control* (GRAP 105), *Transfers of Functions Between Entities Not Under Common Control* (GRAP 106), and *Mergers* (GRAP 107) as set by the Accounting Standards Board in terms of section 89(1) of the Public Finance Management Act, Act No 1 of 1999, as amended (PFMA), are hereby published in terms of section 91(4) of the PFMA for comment.

Interested persons are hereby invited to submit any comment that they may have on the draft Regulation to the Office of the Accountant-General at the National Treasury in writing before 21 November 2011.

The contact details of the Office of the Accountant-General at the National Treasury are as follows:

Postal address: Private Bag X115
Pretoria
0001

Physical address: 240 Vermeulen Street
Pretoria
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Please note that the public consultation process regarding the content of these Standards of GRAP have been completed through the following notices published in the Government Gazette:

Exposure draft no.	Title	Gazette no.
DP 4	Discussion Paper on <i>Transfer of Functions</i>	30666
ED 75	Standards of GRAP on <i>Transfer of Functions Between Entities Under Common Control</i> (GRAP 105) and <i>Mergers</i> (GRAP 107)	33399
ED 77	Standard of GRAP on <i>Transfers of Functions Between Entities Not Under Common Control</i> (GRAP 106)	33399
ED 78	Standard of GRAP on <i>Segment Reporting</i> (GRAP 18)	33399

The comment received on these Standards of GRAP has already been processed. Comment invited in terms of this notice must accordingly be confined to the effective date published below.

The above mentioned accounting standards can be found on the website of the ASB (www.asb.co.za).

SCHEDULE

Definitions

1. In this Regulation, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the PFMA has the same meaning.

“high capacity municipality” means a municipality classified in terms of Government Gazette No. 26511 as a high capacity municipality.

“medium capacity municipality” means a municipality classified in terms of Government Gazette No. 26511 as a medium capacity municipality.

“low capacity municipality” means a municipality classified in terms of Government Gazette No. 26511 as a low capacity municipality.

“municipal entity” has the meaning assigned to it in section 1 of the Local Government: Municipal systems Act, Act No. 32 of 2000.

Standards of GRAP

2. The Standards of GRAP referred to above have been set by the Accounting Standards Board in terms of section 89(1) of the PFMA, for entities applying accrual accounting, which includes:
 - a) public entities;
 - b) high capacity municipalities;
 - c) medium capacity municipalities;
 - d) low capacity municipalities
 - e) municipal entities
 - f) constitutional institutions; and
 - g) Parliament and the provincial legislatures.

Implementation date

3. The Standard of GRAP on *Segment Reporting* (GRAP 18) becomes effective for institutions listed in 2 (a) – (g) above for financial years commencing on or after:
 - a) public entities, 1 April 2013;
 - b) high capacity municipalities and their municipal entities, 1 July 2013;
 - c) medium capacity municipalities and their municipal entities, 1 July 2014;
 - d) low capacity municipalities and their municipal entities, 1 July 2014;
 - e) constitutional institutions, 1 April 2013; and
 - f) Parliament and the provincial legislatures, 1 April 2013.

4. The Standard of GRAP on *Transfer of Functions Between Entities Under Common Control* (GRAP 105), *Transfers of Functions Between Entities Not Under Common Control* (GRAP 106), and *Mergers* (GRAP 107) becomes effective for institutions listed in 2 (a) – (g) above for financial years commencing on or after:
- a) public entities, 1 April 2013;
 - b) high capacity municipalities and their municipal entities, 1 July 2013;
 - c) medium capacity municipalities and their municipal entities, 1 July 2013;
 - d) low capacity municipalities and their municipal entities, 1 July 2013;
 - e) constitutional institutions, 1 April 2013; and
 - f) Parliament and the provincial legislatures, 1 April 2013.