



Accounting Standards Board

ACCOUNTING STANDARDS BOARD

STANDARDS OF GENERALLY RECOGNISED ACCOUNTING PRACTICE

GLOSSARY OF DEFINED TERMS

Issued by the
Accounting Standards Board

April 2011



**Accounting Standards Board
P O Box 74129
Lynnwood Ridge
0040**

Copyright © 2011 by the Accounting Standards Board

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior permission of the Accounting Standards Board.

Permission to reproduce limited extracts from the publication will not usually be withheld.



GLOSSARY OF DEFINED TERMS

Introduction

Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (the Board) is required in terms of the Public Finance Management Act, Act No. 1 of 1999, as amended (PFMA), to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (GRAP).

The Board must determine GRAP for:

- (a) departments (national and provincial);
- (b) public entities;
- (c) constitutional institutions;
- (d) municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- (e) Parliament and the provincial legislatures.

The above are collectively referred to as “entities” in Standards of GRAP.

The Board has approved the application of Statements of Generally Accepted Accounting Practice (GAAP), as codified by the Accounting Practices Board and issued by the South African Institute of Chartered Accountants, to be GRAP for:

- (a) government business enterprises (GBEs) (as defined in the PFMA);
- (b) trading entities (as defined in the PFMA);
- (c) any other entity, other than a municipality, whose ordinary shares, potential ordinary shares or debt are publicly tradable on the capital markets; and
- (d) entities under the ownership control of any of these entities.

The Board believes that Statements of GAAP are relevant and applicable to financial statements prepared by all such entities, including those under their ownership control.



Glossary of Defined Terms

The Glossary of Defined Terms (the Glossary) contains terms defined in the Standards of GRAP, the Interpretations of the Standards of GRAP and the Directives issued by the Board as at 1 April 2011. The list of the Standards of GRAP, the Interpretations of the Standards of GRAP and the Directives issued by the Board as at 1 April 2011 is included as Appendix A.

Where multiple definitions of the same term exist, the Glossary indicates all the Standards of GRAP, the Interpretations of the Standards of GRAP and the Directives in which the term appears and the definition that applies to that particular Standard of GRAP, Interpretation of the Standards of GRAP or Directive.

References to the Standards of GRAP are per Standard number and include the applicable paragraph reference. Similarly, the reference to the Interpretations of the Standards of GRAP and Directives are per Interpretation or Directive number. For example, '1.05' refers users to the Standard of GRAP on *Presentation of Financial Statements* (GRAP 1), paragraph 05. References set out in brackets indicate a minor variation in wording.

A		
accounting basis	The accrual or cash basis of accounting.	24.06
accounting policies	The specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.	1.05, 3.04
accrual basis	A basis of accounting under which transactions, other events and conditions are recognised when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions, other events or conditions are recorded in the accounting records and recognised in the financial statements of the periods to which they relate. The elements recognised under accrual accounting are assets, liabilities, net assets, revenue and expenses.	1.05, 3.04, (24.06)
acquiree	The entity and/or the functions that the acquirer obtains control of in a transfer of functions.	106.10
acquirer	The entity that obtains control of the acquiree or transferor.	105.09 106.10
acquisition cost	When an entity initially recognises assets such as items of property, plant and equipment, investment properties, intangible assets and heritage assets using the Standards of GRAP, it measures those assets using either cost (if the asset is acquired in an exchange transaction) or at fair value (if the asset is acquired in a non-exchange transaction). This cost or fair value on initial acquisition of an asset is the acquisition cost.	D7.04
acquisition date	The date on which the acquirer obtains control of the acquiree.	106.10
active market	A market in which all the following conditions exist: (a) the items traded in the market are homogeneous; (b) willing buyers and sellers can normally be found at any time; and (c) prices are available to the public.	(21.09), (26.10), (101.11), 102.09

actuarial gains and losses	Gains and losses that comprise: (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and (b) the effects of changes in actuarial assumptions.	25.08
agricultural activity	The management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.	101.07
agricultural produce	The harvested product of the entity's biological assets.	101.07
amortisation	The systematic allocation of the depreciable amount of an intangible asset over its useful life.	(21.09), (26.10), 102.09
amortised cost of a financial asset or financial liability	The amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.	104.13
annual budget	An approved budget for one year. It does not include published forward estimates or projections for periods beyond the budget period.	24.06
appropriation	An authorisation granted by Parliament, the legislatures, municipal councils or other relevant authority approving the budget to allocate funds for purposes specified by the relevant authority.	24.06
approved budget	The expenditure authority derived from laws, appropriation bills, regulations and other decisions related to the anticipated revenue or receipts for the budgetary period.	24.06
assets	Resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.	1.05, 101.11, (102.09), 103.04

assets held by a long-term employee benefit fund	Assets (other than non-transferable financial instruments issued by the reporting entity) that: <ul style="list-style-type: none"> (a) are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits; and (b) are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either: <ul style="list-style-type: none"> (i) the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or (ii) the assets are returned to the reporting entity to reimburse it for employee benefits already paid. 	25.08
associate	An entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a controlled entity nor an interest in a joint venture.	7.06 ¹
B		
biological asset	A living animal or plant.	101.07
biological transformation	The processes of growth, degeneration, production, and procreation that cause qualitative or quantitative changes in a biological asset.	101.07
borrowing costs	Interest and other costs that an entity incurs in connection with the borrowing of funds.	5.05
budgetary basis	The accrual, cash or other basis of accounting adopted in the budget approved by the legislative body.	24.06

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

C		
carrying amount (of an asset)	The amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.	10.05, 21.09, 26.10
carrying amount (of a biological asset)	The amount at which an asset is recognised in the statement of financial position.	101.11
carrying amount (of a heritage asset)	The amount at which an asset is recognised after deducting accumulated impairment losses.	103.04
carrying amount (of an intangible asset)	The amount at which an asset is recognised after deducting any accumulated amortisation and accumulated impairment losses thereon.	102.09
carrying amount (of investment property)	The amount at which an asset is recognised in the statement of financial position.	16.05
carrying amount (of property, plant and equipment)	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.	17.10
carrying amount of an asset and liability	The amount at which an asset or liability is recognised in the statement of financial position.	105.09, 107.06
carrying amount of a liability	The amount at which a liability is recognised in the statement of financial position.	10.05,
cash	Cash on hand and demand deposits.	2.07, 10.05
cash basis	A basis of accounting that recognises transactions and other events only when cash is received or paid.	24.06

cash equivalents	Short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.	2.07
cash flows	Inflows and outflows of cash and cash equivalents.	2.07
cash-generating assets	Assets held to generate a commercial return.	100.08, 102.09, (21.09), (26.10)
cash-generating unit	The smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.	(100.08), 21.09, 26.10
change in accounting estimate	An adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors.	3.04
class of heritage assets	A grouping of heritage assets of a similar nature or function in an entity's operations that is shown as a single item for the purpose of disclosure in the financial statements.	103.04
class of property, plant and equipment	A grouping of assets of a similar nature or function in an entity's operations, that is shown as a single item for the purpose of disclosure in the financial statements.	17.10
closing rate	The spot exchange rate at the reporting date.	4.08
combined entity	A new reporting entity formed from the combination of two or more entities.	107.06
combining entities	The entities that are combined for the mutual sharing of risks and benefits in a merger.	107.06

commencement of the lease term	The date from which the lessee is entitled to exercise its rights to use the leased asset. It is the date of initial recognition of the lease (i.e. the recognition of the assets, liabilities, revenue and expenses resulting from the lease, as appropriate).	13.06
comparable basis	The actual amounts presented on the same accounting basis, same classification basis, for the same entities and for the same period as the approved budget.	24.06
component of an entity	The operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity.	100.08
composite social security programmes	Programmes established by legislation; and (a) operate as multi-employer plans to provide post-employment benefits; as well as to (b) provide benefits that are not consideration in exchange for service rendered by employees.	25.08
concessionary loan	A loan granted to or received by an entity on terms that are not market related.	23.05, 104.13
conditions (on transferred assets)	Stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.	23.05
consolidated financial statements	The financial statements of an economic entity presented as those of a single entity.	6.06, 7.06, 8.06
construction contract	A contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.	11.07

constructive obligation	<p>An obligation that derives from an entity's actions where:</p> <p>(a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and</p> <p>(b) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.</p>	19.15, 25.08
contingent asset	<p>A possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.</p>	19.15
contingent consideration	<p>Usually, an obligation of the acquirer to transfer additional assets or a residual interest to the former owners of an acquiree as part of the exchange for control of the acquiree if specified future events occur or conditions are met. However, contingent consideration also may give the acquirer the right to the return of previously transferred consideration if specified conditions are met.</p>	106.10
contingent liability	<p>(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or</p> <p>(b) a present obligation that arises from past events but is not recognised because:</p> <ul style="list-style-type: none"> (i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability. 	19.15
contingent rent	<p>That portion of the lease payments that is not fixed in amount but is based on the future amount of a factor that changes other than with the passage of time (e.g. percentage of future sales, amount of future use, future price indices, future market rates of interest).</p>	13.06
contractor	<p>An entity that performs construction work pursuant to a construction contract.</p>	11.07

contributions from owners	<p>Future economic benefits or service potential that has been contributed to the entity by parties external to the entity, other than those that result in liabilities of the entity, that establish a financial interest in the net assets of the entity, which:</p> <p>(a) conveys entitlement both to distributions of future economic benefits or service potential by the entity during its life, such distributions being at the discretion of the owners or their representatives, and to distributions of any excess of assets over liabilities in the event of the entity being wound up; and/or</p> <p>(b) can be sold, exchanged, transferred or redeemed.</p>	1.05
control	The power to govern the financial and operating policies of another entity so as to benefit from its activities.	6.06, 7.06, 8.06, 105.09, 106.10, 107.06
control of an asset	Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.	23.05
controlled entity	An entity, including an unincorporated entity such as a partnership, that is controlled by another entity (known as the controlling entity).	6.06 ¹ , 7.06
controlling entity	An entity that has one or more controlled entities.	6.06, 7.06
cost	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction.	16.05, 17.10
cost (of a heritage asset and an intangible asset)	The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction, or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.	102.09, (103.04)

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

cost method	A method of accounting for an investment whereby the investment is recognised at cost. The investor recognises revenue from the investment only to the extent that the investor is entitled to receive distributions from accumulated surpluses of the investee arising after the date of acquisition. Entitlements due or received in excess of such surpluses are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.	6.06
cost plus or cost based contract	A construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.	11.07
costs of disposal	Incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.	21.09, 26.10
costs to sell	The incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.	100.08
credit risk	The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.	104.13
currency risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	104.13
current asset	An asset that satisfies any of the following criteria: <ul style="list-style-type: none"> (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; (b) it is held primarily for the purpose of being traded; (c) it is expected to be realised within twelve months after the reporting date; or (d) it is cash or a cash equivalent asset (as defined in the Standard of <i>Cash Flow Statements</i>) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. 	100.08

current replacement cost	The cost the entity would incur to acquire the asset on the reporting date.	12.07
current service costs	The increase in the present value of the defined benefit obligation resulting from employee service in the current period.	25.08
D		
deemed cost	A surrogate value for the cost or fair value of an asset at its initial acquisition, and is determined by reference to the fair value of the asset at the date of adopting the Standards of GRAP (measurement date).	D7.04
defined benefit plans	Post-employment benefit plans other than defined contribution plans.	25.08
defined contribution plans	Post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.	25.08
depreciable amount	The cost of an asset, or other amount substituted for cost, less its residual value.	17.10, 102.09
depreciation	The systematic allocation of the depreciable amount of an asset over its useful life.	17.10, 21.09, 26.10, 103.04
derecognition	The removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.	104.13

derivative	<p>A financial instrument or other contract within the scope of the Standard of GRAP on <i>Financial Instruments</i> (see paragraphs .02 to .12 of the Standard of GRAP on <i>Financial Instruments</i>) with all three of the following characteristics:</p> <p>(a) Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').</p> <p>(b) It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.</p> <p>(c) It is settled at a future date.</p>	104.13
development	<p>The application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of production or use.</p>	102.09
discontinued operation	<p>A component of an entity that either has been disposed of or is classified as held for sale and:</p> <p>(a) represents a distinguishable activity, group of activities or geographical area of operations;</p> <p>(b) is part of a single co-ordinated plan to dispose of a distinguishable activity, group of activities or geographical area of operations; or</p> <p>(c) is a controlled entity acquired exclusively with a view to resale.</p>	100.08
disposal group	<p>A group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.</p>	100.08
distributions to owners	<p>Future economic benefits or service potential distributed by the entity to all or some of its owners, either as a return on investment or as a return of investment.</p>	1.05

E		
economic entity	A group of entities comprising a controlling entity and one or more controlled entities.	1.05, 4.08, 6.06
economic life	Either: (a) the period over which an asset is expected to yield economic benefits or service potential to one or more users; or (b) the number of production or similar units expected to be obtained from the asset by one or more users.	13.06
effective interest method	A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on <i>Revenue from Exchange Transactions</i>), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).	104.13
employee benefits	All forms of consideration given by an entity in exchange for service rendered by employees.	25.08

entity specific value	The present value or service potential of the benefits an entity expects to arise from the continuing use of an asset and from its disposal at the end of its useful life or expects to incur when settling a liability.	17.10, (102.09)
equity method	A method of accounting whereby an investment in an associate or interest in a jointly controlled entity is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's or venturers share of net assets of the jointly controlled entity. The surplus or deficit of the investor or venturer includes the investor's or the venturer's share of the surplus or deficit of the investee or jointly controlled entity.	7.06 ¹ , 8.06 ³
events after the reporting date	Those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified: (a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and (b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).	14.03
exchange difference	The difference resulting from translating a given number of units of one currency into another currency at different exchange rates.	4.08
exchange rate	The ratio of exchange for two currencies.	4.08
exchange transactions	Transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.	1.05, 9.12, 12.07, 16.05, 17.10, 23.05, 102.09

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

executory contracts	Contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.	19.15
expenses	Decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distributions to owners.	1.05
expenses paid through the tax system	Amounts that are available to beneficiaries regardless of whether or not they pay taxes.	23.05
F		
fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.	4.08, 9.12, 12.07, 13.06, 16.05, 17.10, 100.08, 101.11, (102.09), 103.04, (104.13), 106.10
fair value less costs to sell	The amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.	21.09, 26.10
final budget	The approved budget adjusted for transfers, allocations, supplemental appropriations, and other changes applicable to the budget period.	24.06
finance lease	A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.	13.06

financial asset	(a) cash; (b) a residual interest of another entity; or (c) a contractual right to: (i) receive cash or another financial asset from another entity; or (ii) exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.	104.13
financial instrument	Any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.	104.13
financial instruments at amortised cost	Non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that: (a) the entity designates at fair value at initial recognition in accordance with paragraph .17 of the Standard of GRAP on <i>Financial Instruments</i> ; or (b) are held for trading.	104.14
financial instrument at cost	Investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.	104.14
financial instruments at fair value	Financial assets or financial liabilities that are: (a) derivatives; (b) combined instruments that are designated at fair value in accordance with paragraphs .20 or .21 of the Standard of GRAP on <i>Financial Instruments</i> ; (c) instruments held for trading. A financial instrument is held for trading if: (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a	104.14

	<p>recent actual pattern of short term profit-taking;</p> <p>(d) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition in accordance with paragraph .17 of the Standard of GRAP on <i>Financial Instruments</i>; and</p> <p>(e) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.</p>	
financial guarantee contract	A contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.	19.15, 104.13
financial liability	<p>Any liability that is a contractual obligation to:</p> <p>(a) deliver cash or another financial asset to another entity; or</p> <p>(b) exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.</p>	104.13
financing activities	Activities that result in changes in the size and composition of the contributed capital and borrowings of the entity.	2.07
fines	Economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.	23.05
firm purchase commitment	An agreement with an unrelated party, binding on both parties and usually legally enforceable, that (a) specifies all significant terms, including the price and timing of the transactions, and (b) includes a disincentive for non performance that is sufficiently large to make performance highly probable.	100.08
fixed price contract	A construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.	11.07
foreign currency	A currency other than the functional currency of the entity.	4.08

foreign operation	An entity that is a controlled entity, associate, joint venture or branch of a reporting entity, the activities of which are based or conducted in a country or currency other than those of the reporting entity.	4.08
function	An integrated set of activities that is capable of being conducted and managed for purposes of achieving an entity's objectives, either by providing economic benefits or service potential.	105.09, 106.10
functional currency	The currency of the primary economic environment in which the entity operates.	4.08, 10.05
G		
gross investment in the lease	The aggregate of: (a) the minimum lease payments receivable by a lessor under a finance lease; and (b) any unguaranteed residual value accruing to the lessor.	13.06
group of biological assets	An aggregation of similar living animals or plants.	101.07
guaranteed residual value	(a) for a lessee, that part of the residual value that is guaranteed by the lessee or by a party related to the lessee (the amount of the guarantee being the maximum amount that could, in any event, become payable); and (b) for a lessor, that part of the residual value that is guaranteed by the lessee or by a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee.	13.06
H		
harvest	The detachment of produce from a biological asset or the cessation of a biological asset's life processes.	101.07

heritage assets	Assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.	103.04
highly probable	Significantly more likely than probable.	100.08
I		
identifiable asset	An asset is identifiable if either: (a) is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or (b) arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.	106.10
impairment	A loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.	21.09, 26.10
impairment loss of a cash-generating asset	The amount by which the carrying amount of an asset exceeds its recoverable amount.	17.10, 26.10, 102.09, 103.04
impairment loss of a non-cash-generating asset	The amount by which the carrying amount of an asset exceeds its recoverable service amount.	17.10, 21.09, 102.09, 103.04

impracticable	<p>Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:</p> <ul style="list-style-type: none"> (a) the effects of the retrospective application or retrospective restatement are not determinable; (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that: <ul style="list-style-type: none"> (i) provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and (ii) would have been available when the financial statements for that prior period were authorised for issue from other information. 	1.05, 3.04
inalienable item	An asset that an entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.	103.04
inception of the lease	<p>The earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As at this date:</p> <ul style="list-style-type: none"> (a) a lease is classified as either an operating or finance lease; and (b) in the case of a finance lease, the amounts to be recognised at the commencement of the lease terms are determined. 	13.06
initial direct costs	Incremental costs that are directly attributable to negotiating and arranging a lease, except for such costs incurred by manufacturer or trader lessors.	13.06
intangible asset	An identifiable non-monetary asset without physical substance.	102.09

interest cost	The increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.	25.08
interest rate implicit in the lease	The discount rate that, at the inception of the lease, causes the aggregate present value of: (a) the minimum lease payments; and (b) the unguaranteed residual value to be equal to the sum of (i) the fair value of the leased asset; and (ii) any initial direct costs of the lessor.	13.06
interest rate risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	104.13
inventories	Assets: (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution.	12.07
investing activities	The acquisition and disposal of long-term assets and other investments not included in cash equivalents.	2.07
investment property	Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of operations.	16.05
investor (in a joint venture)	A party to a joint venture and does not have joint control over that joint venture.	8.06

J		
joint control	The agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).	7.06, 8.06 ¹
joint venture	A binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control.	8.06
L		
lease	An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.	13.06
lease term	The non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.	13.06
legal obligation	An obligation that derives from: (a) a contract (through its explicit or implicit terms); (b) legislation; or (c) other operation of law.	19.15
lessee's incremental borrowing rate of interest	The rate of interest the lessee would have to pay on a similar lease or, if that is not determinable, the rate that, at the inception of the lease, the lessee would incur to borrow over a similar term, and with a similar security, the funds necessary to purchase the asset.	13.06

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

liabilities	Present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.	1.05, 19.15
liquidity risk	The risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	104.13
loan commitment	A firm commitment to provide credit under pre-specified terms and conditions.	19.15, 04.13
loans payable	Financial liabilities, other than short-term payables on normal credit terms.	104.13
M		
management	Those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.	1.05, 14.03, 18.05, 19.15, 21.09, 26.10, 100.08
market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.	104.13
material	Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.	1.05, 3.04
measurement date (for purposes of Directive 7)	The date that an entity adopts the Standards of GRAP and is the beginning of the earliest period for which an entity presents full comparative information, in its first financial statements prepared using Standards of GRAP.	D7.04

merger	The establishment of a new combined entity in which none of the former entities obtain control over any other and no acquirer can be identified.	105.09, 106.10, 107.06
merger date	The date on which entities are combined for the mutual sharing of risks and benefits and when the assets and liabilities are transferred to the combined entity.	107.06
minimum lease payment	<p>The payments over the lease term that the lessee is or can be required to make, excluding contingent rent, costs for services and, where appropriate, taxes to be paid by and reimbursed to the lessor, together with:</p> <ul style="list-style-type: none"> (a) for a lessee, any amounts guaranteed by the lessee or by a party related to the lessee; or (b) for a lessor, any residual value guaranteed to the lessor by: <ul style="list-style-type: none"> (i) the lessee; (ii) a party related to the lessee; or (iii) a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee. <p>However, if the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised, the minimum lease payments comprise the minimum payments payable over the lease term to the expected date of exercise of this purchase option and the payment required to exercise it.</p>	13.06
monetary assets	Money held and assets to be received in fixed or determinable amounts of money.	102.09
monetary items	Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.	4.08, 10.05

multi-employer plans	<p>Defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:</p> <p>(a) pool the assets contributed by various entities that are not under common control; and</p> <p>(b) use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.</p>	25.08
multi-year budget	An approved budget for more than one year. It does not include published forward estimates or projections for periods beyond the budget period.	24.06
N		
net assets	The residual interest in the assets of the entity after deducting all its liabilities.	1.05
net investment in a foreign operation	The amount of the reporting entity's interest in the net assets of that operation.	4.08
net investment in the lease	The gross investment in the lease discounted at the interest rate implicit in the lease.	13.06
net realisable value	The estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.	12.07
non-cancelable lease	<p>A lease that is cancellable only:</p> <p>(a) upon the occurrence of some remote contingency;</p> <p>(b) with the permission of the lessor;</p> <p>(c) if the lessee enters into a new lease for the same or an equivalent asset with the same lessor; or</p> <p>(d) upon payment by the lessee of an additional amount that, at inception, continuation of the lease is reasonably certain.</p>	13.06

non-cash-generating assets	Assets other than cash-generating assets.	21.09, 26.10, 100.08, 102.09
non-controlling interest	The interest in the net assets in a controlled entity not attributable, directly or indirectly, to a controlling entity.	6.06 ¹ , 106.10
non-current asset	An asset that does not meet the definition of a current asset.	100.08
non-exchange transactions	Transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.	1.05, 9.12, 12.07, 16.05, 17.10, 23.05, 102.09
non-monetary assets	Assets other than monetary assets.	102.09
non-monetary items	Items that are not monetary items.	10.05
notes	Information in addition to that presented in the statement of financial position, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts. Notes provide narrative descriptions or disaggregations of items disclosed in those statements and information about items that do not qualify for recognition in those statements.	1.05
O		
obligating event	An event that creates a legal or constructive obligation that results in an entity having no realistic alternative to settling that obligation.	19.15

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

onerous contract	A contract for the exchange of assets or services in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits or service potential expected to be received under it.	19.15
operating activities	The activities of the entity that are not investing or financing activities.	2.07
operating lease	A lease other than a finance lease.	13.06
other long-term employee benefits	Employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.	25.08
other price risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.	104.13
owner-occupied property	Property held (by the owner or by the lessee under a finance lease) for use in the production or supply of goods or services or for administrative purposes.	16.05
owners	Include holders of residual interests.	106.10
P		
past due	A financial asset is past due when a counterparty has failed to make a payment when contractually due.	104.13
past service costs	The change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases).	25.08

plan assets	Plan assets comprise: (a) assets held by a long-term employee benefit fund; and (b) qualifying insurance policies.	25.08
post-employment benefits	Employee benefits (other than termination benefits) which are payable after the completion of employment.	25.08
post-employment benefit plans	Formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.	25.08
presentation currency	The currency in which the financial statements are presented.	4.08, 10.05
present value of a defined benefit obligation	The present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.	25.08
prior period errors	Omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.	3.04
probable	More likely than not.	100.08
property, plant and equipment	Tangible items that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.	17.10

proportionate consolidation	A method of accounting whereby a venturer's share of each of the assets, liabilities, revenue and expenses of a jointly controlled entity is combined line-by-line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.	8.06 ¹
prospective application	Application of a change in an accounting policy and of recognising the effect of a change in an accounting estimate, respectively, are: (a) applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and (b) recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.	3.04
provision	A liability of uncertain timing or amount.	19.15
Q		
qualifying asset	An asset that necessarily takes a substantial period of time to get ready for its intended use or sale.	5.05
qualifying insurance policy	An insurance policy* issued by an insurer that is not a related party (as defined in the Standard of GRAP on <i>Related Party Disclosures</i>) of the reporting entity, if the proceeds of the policy: (a) can be used only to pay or fund employee benefits under a defined benefit plan; and (b) are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either: (i) the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or (ii) the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.	25.08

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

* A qualifying insurance policy is not necessarily an insurance contract (see the International Financial Reporting Standard on *Insurance Contracts*).

R		
recoverable amount (of an asset)	The higher of a cash-generating asset's fair value less cost to sell and its value in use.	17.10, (100.08), (102.09), (103.04),
recoverable amount (of an asset or a cash-generating unit)	The higher of its fair value less costs to sell and its value in use.	26.10
recoverable service amount	The higher of a non-cash-generating asset's fair value less costs to sell and its value in use.	17.10, 21.09, 100.08, 102.09, 103.04
reporting date	The date of the last day of the reporting period to which the financial statements relate.	1.05, 14.03
research	Original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding.	102.09
residual interest	Any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as: <ul style="list-style-type: none"> (a) equity instruments or similar forms of unitised capital; (b) a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or (c) a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity. 	104.13, 106.10
residual value of an asset	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.	17.10, 102.09

restrictions on transferred assets	Stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.	23.05
restructuring	A programme that is planned and controlled by management, and materially changes either: (a) the scope of an entity's activities; or (b) the manner in which those activities are carried out.	19.15
retrospective application	Applying a new accounting policy to transactions, other events and conditions as if that policy had always been applied.	3.04
retrospective restatement	Correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.	3.04
return on plan assets	Interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.	25.08
revenue	The gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.	1.05, 9.12
S		
segment	An activity of an entity: (a) that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity); (b) whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and (c) for which separate financial information is available.	18.05

separate financial statements	Financial statements presented by a controlling entity, an investor in an associate or a venturer in a jointly controlled entity in which the investments are accounted for on a basis of the direct interest in the net assets rather than on the basis of the reported results and net assets of the investees.	6.06 ¹ , 7.06 ³ , 8.06 ³
short-term employee benefits	Employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.	25.08
significant influence	The power to participate in the financial and operating policy decisions of an activity, but is not control or joint control over those policies.	7.06 ³ , 8.06
spot exchange rate	The exchange rate for immediate delivery.	4.08
Standards of GRAP	Standards, Interpretations and Directives issued by the Accounting Standards Board.	1.05, 3.04
state plans	Plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation.	25.08
stipulations on transferred assets	Terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.	23.05
T		
tax expenditures	Preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.	23.05
taxable event	The event that the government, legislature or other authority has determined will be subject to taxation.	23.05

¹ Revised definition will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*.

taxes	Economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.	23.05
termination benefits	Employee benefits payable as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept voluntary redundancy in exchange for those benefits.	25.08
transaction costs	Incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see Appendix A paragraph AG57 of the Standard of GRAP on <i>Financial Instruments</i>). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of <i>the financial instrument</i> .	104.13
transfer date	The date on which the acquirer obtains control of the function and the transferor loses control of that function.	105.09
transfer of functions	The reorganisation and/or the re-allocation of functions between entities by transferring functions between entities or into another entity.	105.09, 106.10, 107.06
transferor	The entity that relinquishes control of a function.	105.09
transfers	Inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.	23.05
U		
unearned finance revenue	The difference between: (a) the gross investment in the lease; and (b) the net investment in the lease.	13.06
unguaranteed residual value	That portion of the residual value of the leased asset, the realisation of which by the lessor is not assured or is guaranteed solely by a party related to the lessor.	13.06

useful life (of an asset)	(a) the period over which an asset is expected to be available for use by an entity; or (b) the number of production or similar units expected to be obtained from the asset by an entity.	17.10, (21.09), (26.10), 102.09
useful life (of a leased asset)	The estimated remaining period, from the commencement of the lease term, without limitation by the lease term, over which the economic benefits or service potential embodied in the asset are expected to be consumed by the entity.	13.06
V		
value in use	The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.	100.08
value in use of a cash-generating asset	The present value of the future cash flows expected to be derived from an asset or cash-generating unit.	(26.10), 102.09, 103.04
value in use of a non-cash-generating asset	The present value of the asset's remaining service potential.	21.09, 100.08, 102.09, 103.04
venturer	A party to a joint venture and has joint control over that joint venture.	8.06
vested employee benefits	Employee benefits that are not conditional on future employment.	25.08

APPENDIX: 1 April 2011

This Appendix lists the Standards of GRAP, the Interpretations of the Standards of GRAP and the Directives issued by the Board as at 1 April 2011. These pronouncements were all considered in compiling the Glossary of Defined Terms.

A1. Standards of GRAP for which the Minister of Finance has determined the effective date:

Reference	Topic
	Preface to the Standards of Generally Recognised Accounting Practice
	Framework for the Preparation and Presentation of Financial Statements
GRAP 1	Presentation of Financial Statements (as revised in 2010)
GRAP 2	Cash Flow Statements (as revised in 2010)
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors (as revised in 2010)
GRAP 4	The Effect of Changes in Foreign Exchange Rates (as revised in 2010)
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements ²
GRAP 7	Investments in Associates ²
GRAP 8	Interests in Joint Ventures ²
GRAP 9	Revenue from Exchange Transactions (as revised in 2010)
GRAP 10	Financial Reporting in Hyperinflationary Economies (as revised in 2010)
GRAP 11	Construction Contracts (as revised in 2010)
GRAP 12	Inventories (as revised in 2010)
GRAP 13	Leases (as revised in 2010)
GRAP 14	Events After the Reporting Date (as revised in 2010)
GRAP 16	Investment Property (as revised in 2010)
GRAP 17	Property, Plant and Equipment (as revised in 2010)
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets (as revised in 2010)

² The revised GRAP 6, 7 and 8 will only become effective in conjunction with the effective date to be determined by the Minister of Finance for GRAP 105 *Transfer of Functions Between Entities Under Common Control*, GRAP 106 *Transfer of Functions Between Entities Not Under Common Control* and GRAP 107 *Mergers*

Reference	Topic
GRAP 100	Non-current Assets held for Sale and Discontinued Operations (as revised in 2010)
GRAP 101	Agriculture
GRAP 102	Intangible Assets

A2. Directives issued and effective that entities are required to apply:

Reference	Topic
Directive 1	Repeal of Existing Transitional Provisions in, and Consequential Amendments to Standards of GRAP
Directive 2	Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions
Directive 3	Transitional Provisions for the Adoption of Standards of GRAP by High Capacity Municipalities
Directive 4	Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities
Directive 5	Determining the GRAP Reporting Framework
Directive 6	Transitional Provisions for Revenue Collected by the South African Revenue Service (SARS)
Directive 7	The Application of Deemed Cost on the Adoption of Standards of GRAP
Directive 8	Transitional Provisions for Parliament and Provincial Legislatures

A3. Interpretations of the Standards of GRAP issued and effective that entities are required to apply:

Reference	Topic
	Preface to the Interpretations of the Standards of GRAP
IGRAP 1	Applying the Probability Test on Initial Recognition of Exchange Revenue
IGRAP 2	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IGRAP 3	Determining whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies

Reference	Topic
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue – Barter Transactions Involving Advertising Services

- A4. Standards of GRAP issued, but for which the Minister of Finance has not yet determined an effective date

Reference	Topic
GRAP 18	Segment Reporting (issued 2011)
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue From Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions Between Entities Under Common Control
GRAP 106	Transfer of Functions Between Entities Not Under Common Control
GRAP 107	Mergers