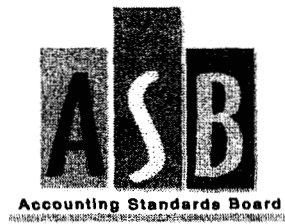


## NOTICE 1978 OF 2004

**Notice of the Accounting Standards Board****Exposure Draft 17 released for comment****Issued: 15 September 2004**

The Accounting Standards Board (the Board/ASB) released exposure draft (ED) 17 on *Segment Reporting* at their meeting held on the 18 August 2004.

This exposure draft will be a future Standard of GRAP and forms part of the Board's broader strategy to issue a complete set of Standards of GRAP. Responses form a valuable input to the process and those who might be affected by, or are interested in, the proposed changes are encouraged to continue to provide responses to the EDs being released.

The comment period for **ED 17 – *Segment Reporting*** ends on **15 December 2004**.

A Copy of the exposure draft and request for comment follows in this publication. Copies can also be downloaded free of charge from the ASB web site – <http://www.asb.co.za>, or can be obtained by contacting the ASB offices.

Tel: 012 348 2913

Fax: 012 348 4150

Comments can be emailed to [info@asb.co.za](mailto:info@asb.co.za) or can be submitted in writing to:

ASB  
PO Box 74129  
Lynwood Ridge  
0040

We are looking forward to receiving your comments.



**Request for comments**

**Exposure draft of the proposed Standard of Generally Recognised  
Accounting Practice on *Segment Reporting***

**Issued by the  
Accounting Standards Board (ASB)  
September 2004**

**Commenting on the exposure draft**

This exposure draft on *Segment Reporting* was prepared and published by the Accounting Standards Board. The proposals in the exposure draft may be modified in the final document in the light of comments received, before being issued as the Standard of Generally Recognised Accounting Practice on *Segment Reporting*.

Comments should be submitted in writing on or before **15 December 2004**.

Email responses are preferred. Unless respondents to exposure drafts specifically request confidentiality, their comments are a matter of public record once the Standard of Generally Recognised Accounting Practice on *Segment Reporting* has been issued. Comments should be addressed to:

The Chief Executive Officer  
Accounting Standards Board  
Menlyn Square  
Cor Lois and Gobie Avenue  
1st Floor, East Block  
Menlyn  
PO Box 74219  
Lynnwood Ridge  
0040  
Fax: +2712 348 4150  
Email address: [info@asb.co.za](mailto:info@asb.co.za)

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## INTRODUCTION

### Standards of Generally Recognised Accounting Practice

The Accounting Standards Board (ASB) 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 the following:

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

The above are collectively referred to as "entities" in Standards of Generally Recognised Accounting Practice.

The ASB considers the South African 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:

- government business enterprises (as defined in the PFMA);
- trading entities (also defined in the PFMA);
- any other entity whose ordinary shares, or debt, are publicly traded, or are potentially publicly tradable on the capital markets; and
- entities under the ownership control of any of these entities.

The ASB believes Statements of GAAP have more relevance and applicability to such entities.

All other entities and the entities under their ownership control should apply Standards of GRAP.

Financial statements should be described as complying with Standards of GRAP only if they comply with all the requirements of each applicable Standard of GRAP and any related interpretation that may be issued in the future.

The objective of the ASB's work plan is to develop a core set of financial reporting standards for the South African public sector. The Standards will be based on

International Public Sector Accounting Standards where the International Federation of Accountants Public Sector Committee (IFAC PSC) has addressed the topic.

#### **Due process and timetable**

This exposure draft is the technical product of the ASB. The due process followed by the ASB in developing Standards of Generally Recognised Accounting Practice is that the ASB receives comments on the proposals set out in this exposure draft from preparers, users, auditors, standard setters and other parties with an interest in public sector financial reporting. Accordingly, all interested parties are invited to provide comments.

Exposure drafts will usually have a comment period of three (3) months, although shorter or longer periods may be used for certain exposure drafts depending on the urgency to issue the final Standard. Upon the closure of the comment period, the ASB will consider the comments received on the exposure draft and may modify the proposed Standard of Generally Recognised Accounting Practice in the light of the comments received before proceeding to issue a final Standard.

Comments will be classified into minor, major or generic categories and the ASB will respond accordingly. The basis for accepting or rejecting significant comments will be published on the web site.

#### **Request for comments**

Comments are invited by **15 December 2004**.

The ASB requires that respondents express an overall opinion on whether they support the exposure draft in general and supplement this opinion with detailed comments, whether supportive or critical, on the principles in the exposure draft. Respondents are also invited to provide detailed comments identifying the specific paragraphs to which the comments relate, explaining the issue and suggesting alternative wording, with supporting reasoning, where this is appropriate.

In developing this exposure draft the ASB has adopted the International Public Sector Accounting Standards (IPSAS), amended by the following:

- The legislative framework applicable in South Africa.
- Recent developments in pronouncements issued by other authoritative accounting standard setters.