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The International Public Sector Accounting Standards Board  
70 York Street  
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Submission via website

10 July 2025

Dear Ross

**COMMENT ON EXPOSURE DRAFT ON PROPOSED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) ON DEFINITION OF MATERIAL (AMENDMENTS TO IPSAS 1, IPSAS 3, AND THE CONCEPTUAL FRAMEWORK) (ED 93)**

We thank you for the opportunity to provide comment on ED 93.

The comments outlined in this letter are those of the Secretariat of the Accounting Standards Board and not the Board.

We support the project to develop guidance on making materiality judgements when preparing general purpose financial reports in accordance with IPSAS and the IPSASB's Sustainability Reporting Standards. We are generally supportive of the amendments proposed in phase 1 of the project.

Our comments on the amendments proposed in ED 93 are outlined below.

**Amending “users” to “primary users” in the description of materiality**

Paragraph BC3.32J of the Conceptual Framework explains that the revision to add “primary” ahead of “users” in the description of materiality is to emphasise that decisions about materiality are intended to reflect the information needs of primary users and not of other users, thereby distinguishing primary users from other users. This explanation can be seen as inconsistent with that in the footnote to paragraph 2.4 of the Conceptual Framework and the explanation in paragraph BC3.32K. The footnote and paragraph BC3.32K explain that the terms “primary users” and “users” should be read interchangeably in the Conceptual Framework as both refer to service recipients and their representatives, and resource providers and their representatives who rely on general purpose financial reports.

If the intention is that the terms “primary user” and “user” be used interchangeably with the same meaning throughout the Conceptual Framework, and there are no references to “other

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users” in the Conceptual Framework, we recommend that paragraph BC3.32J better explain this. If there are references to “other users” in the Conceptual Framework, we propose that the term “users” be revised to “primary users” throughout the Conceptual Framework, where appropriate, and that the term “users” be retained when referring to users other than primary users.

#### **Editorial comment**

The term “judgement” should be amended to “judgment”.

#### **Other comment**

The background information to the project explains that difficulties in making materiality judgements when preparing general purpose financial reports can lead to disclosure concerns. It is important to emphasise that materiality not only guides decisions about what to disclose but also influences other aspects, such as the appropriate accounting policies to apply, how information is presented and whether to aggregate or disaggregate information. We propose that this broader explanation be considered when communicating future phases of the project.

Should you have any questions regarding the comments outlined in our letter, please feel free to contact me.

Your sincerely



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Head of Technical