



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

AMENDMENTS TO CLASSIFICATION CIRCULAR 1 OF 2013/14

CHANGES TO STANDARD CHART OF ACCOUNTS (SCOA) VERSION 4 - ISSUED 19 APRIL 2013

PURPOSE

1. The purpose of this notice is to inform practitioners of the amendments to Classification Circular 1 issued on the 19th April 2013. The amendments have been made to align the classification circular with the Modified Cash Standard (issued December 2015), in particular the definition of inventory on page 7 (paragraph 2.5) of the Classification Circular. The deleted text below is been replaced with the underlined text in paragraph 2 of this publication:

Inventory is those items that will be:

- ~~directly distributed or sold to individuals / entities outside the department; or~~
- ~~will be used in a production process for a finished good that will be used by individuals / entities outside the department;~~
- ~~goods used to benefit the community as a whole (e.g. ammunition for protection)~~

2. The revised paragraph should read as follows:

Inventories are assets:

- in the form of materials or supplies to be consumed in the production process;
- in the form of materials or supplies to be consumed or distributed in the rendering of services;
- held for sale or distribution in the ordinary course of operations; or
- in the process of production for sale or distribution

CONTACT INFORMATION

3. If further clarity or discussion is required regarding the changes highlighted above, please contact the SCOA Technical Committee via the SCOA call center at **(012) 315 5311**, or by sending a concise mail to scoa@treasury.gov.za.

Regards

SCOA Technical Committee

Date: 26 January 2016