

CLASSIFICATION CIRCULAR 6 OF 2008/09

ADJUSTMENTS TO THE STANDARD CHART OF ACCOUNTS (SCOA)

Purpose

The purpose of this classification circular is to inform all government financial practitioners of the amendments, and the reasons for these amendments, made to versions 08.09.1 to 08.09.9 of the chart of accounts.

PAYMENTS

1. Compensation of employees

No changes were made to this section.

2. Goods and services

2.1 Assets < R5000

The following items were added on request from the Department of Defence.

ITEMS ADDED	BAS SEGMENT NUMBER
SMA<R5000:MIL TRAIN AIDS & DEVICES	2883
SMA<R5000:SHIP&MARINE EQUIP	2884

The following items were changed to ensure consistency in terms of item alignment and descriptions.

ITEMS CHANGED	BAS SEGMENT NUMBER
PHOTOGRAPHIC EQUIPMENT<R5000	2534
PHO EQP<R5000:CARTOGRAPHIC EQUIP	2620
PHO EQP<R5000:PHOTOGRAMMETRIC EQ	2621
PHO EQP<R5000:PHOTOGRAPHIC EQUIP	2622
PHO EQP<R5000:REPROGRAPHIC EQUIP	2623

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This item was changed to include software which was not provided for in the new chart.

ITEM CHANGED	BAS SEGMENT NUMBER
EQUIP<R5000:SOFTWARE AND OTH INTANGIBLE ASS	2885

The name of the item for flying suits and parachutes was changed to military special clothing to include all types of military special clothing.

The word military was added to the item for weapons under special military assets to make a clear distinction between the item for the Department of Defence and the item for guns and rifles to be used by Departments of Agriculture and the Safety and Security provided for under other machinery and equipment.

ITEMS CHANGED	BAS SEGMENT NUMBER
SMA<R5000:MILITARY SPECIAL CLOTHING	581
SMA<R5000:MILITARY WEAPONS	584

The following items were removed on request from the Department of Defence.

ITEMS REMOVED	BAS SEGMENT NUMBER
AIRCRAFT FIGHTER PLANES	1454
CARGO AND TANKER VESSELS	1459
COMBAT SHIP AND LANDING VESSELS	1460
HELICOPTERS ASSETS	1464
RIGGING AND RIGGING GEAR	1465
SPACE VEHICLES ASSETS	1467
TRANSPORT VESSELS/PASSENGER AND TROOP ASSETS	1470

2.2 Administrative fees

The item "system access fees" was added to the chart. The initial indication was that the item was not used and therefore removed from the new chart. It was, however, reinstated on request from the Department of Land Affairs. This item is for expenditure payable to institutions to get access to systems for example, ITC, home affairs system, AKTEX system. Also monies payable to the deeds trading account to obtain deeds registration certificates. This is for WAN access to users of this information database and not the software license fee.

ITEM ADDED	BAS SEGMENT NUMBER
SYSTEM ACCESS FEES	2897

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2.3 Consultants and Professional Services: Financial and Advisory

A new item was added to this category for payments to occupational safety and health and risk assessment consultants which is a cross-disciplinary area concerned with protecting the safety, health and welfare of people engaged in the work- or employment environment. As a secondary effect, it may also protect co-workers, family members, employers, customers, suppliers, nearby communities, and other members of the public who are impacted by the workplace environment.

ITEM ADDED	BAS SEGMENT NUMBER
C/P:BUS &ADV SER:OCCU SAFE&HEALTH	2976

2.4 Contractors

A new item under this category was added for payments of services for providing internal seminars and awareness programs in assisting employees in addressing specific needs and problems either in their workplace or private affairs. This includes programs relating to psychological, physical, financial, etc. Examples of such programs will include HIV awareness, financial awareness or self defense classes by contractors who come to the workplace to instruct etc. It is important to note that this item excludes medical wellness programs which include physical tests such as cholesterol, blood pressure, diabetes or advisory services by dieticians or any other medical related issue. The latter should be classified under the specific item for medical services and also does not include training programmes as defined in the training definitions, neither should the cost for any materials, or venues and facilities facilities for those wellness contractors be classified under this item, but to the specific items as available for those items on the chart

ITEM ADDED	BAS SEGMENT NUMBER
CONTRACTORS:EMPLOYEE WELLNESS	2980

Another new item under this category was added for payments to contractors for the rehabilitation, and upgrading of assets under the category for machinery and equipment.

ITEM ADDED	BAS SEGMENT NUMBER
CONTRCTRS:REHAB&UPGRA MACH&EQUIP	2898

The following item was added for costs incurred for refurbishing and rehabilitation of infrastructure assets, excluding property maintenance. Transactions allocated to this item are applicable only if the refurbishing and rehabilitation extends the useful life of the asset and result in future cash inflows into the organisation. Examples would be refurbishment and rehabilitation of assets such as roads, harbours and other infrastructure assets (all other assets not included in property maintenance or machinery and equipment). The economic classification is made in the project segment. Refurbishment and rehabilitation is always capital expenditure.

ITEM ADDED	BAS SEGMENT NUMBER
CONTRCTRS:REHAB&UPGRA OTH ASSETS	2899

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2.5 Agency & Support/Outsourced

This item was added for claim verification outsourced by the Department of Land Affairs.

ITEM ADDED	BAS SEGMENT NUMBER
AGENCY&S/O SER:LAND CLAIM VERIFICATION	2900

2.6 Inventory

The following item was added to provide for the purchase of ammunition for guns and rifles not being used by the Department of Defence but for use by the Departments of Safety and Security and Agriculture.

ITEM ADDED	BAS SEGMENT NUMBER
INV OTH CONS:AMMUNITN NON SMA	2886

A new item was added for expenditure on decorations used in a workplace for example, Christmas decorations, flowers, flower pots and other inexpensive items used to decorate an office or a workplace. It is important to note that this item should not be used for expenditure on contracted plants or flower maintenance as contained in the definition for the item under owned and leasehold property expenditure: Gardening services. This item should also not be used for decorations of venues for special events in celebration of Government initiatives such as the celebration of Heritage day or other events or any costs that are included in the item for venues and facilities. Paintings and portraits should also not be classified under this item. This item excludes the provision of the expertise of an interior decorator to provide advice in the art of decorating a room so that it is attractive, easy to use, and functions well with the existing architecture and the material that are supplied with this service. The latter is allocated with the item contractors: Interior decorator.

ITEM ADDED	BAS SEGMENT NUMBER
INV OTH CONS:WORKPLAC DECORATION	2979

A new item was added for notice boards and directions or other types of signs for example signs to be used in office buildings or hospitals indicating direction to the office or notices such as fire escape or emergency exit.

ITEM ADDED	BAS SEGMENT NUMBER
INV MAT&SUP:NOTICE BOARDS&SIGNS	2947

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An item for dental consumables was added on request from Department of Health. This item was also available in the SCOA pre 1 April 2008.

ITEM ADDED	BAS SEGMENT NUMBER
INV MED:DENTAL CONSUMABLES	2971

A new item was added for purchase of goods such as children's toys and educational toys. These items should not be of a promotional nature. This item will be used by the Departments of Health and Social Development to further redistribute to children homes or children patients, rehabilitation centre's or social welfare institutions. These payments in the cash account environment are shown as goods and services but in an accrual environment it will be reflected as a transfer to household in kind. Any other goods and services purchased for resale should be recorded with the relevant goods and services category where it belongs. These accounts will be monitored by the National and Provincial Treasury.

ITEM ADDED	BAS SEGMENT NUMBER
INV OTH CONS:REDISTRIBUTIONAL ITEMS	2972

A new item was added under inventory for spares for firearms, guns and rifles used for non military purposes by the Departments of Safety and Security and the Agriculture.

ITEM ADDED	BAS SEGMENT NUMBER
INV OTH CONS: FIREARM SPARES NON MILITARY	2973

The item for building and road construction materials was changed to provide for a more generic item that can be used for all types of building and construction material and not only for road construction materials.

ITEM CHANGED	BAS SEGMENT NUMBER
INV MAT&SUP :BUILDING&CONSTR MA	2877

The category Inventory: raw materials were changed to materials and supplies.

ITEMS CHANGED	BAS SEGMENT NUMBER
INVENTORY: MATERIALS & SUPPLIES	377
INV MAT&SUPPLIES:BATTERIES	1841
INV MAT&SUP:BUILDING&CONSTR MAT	2877
INV MAT&SUP:ELECTRICAL SUPPLIES	1843
INV MAT&SUP:HARDWARE	2901
INV MAT&SUP:PAINTING MATERIAL	1844
INV MAT&SUP:SPARES & ACCESSORIES	1845
INV MAT&SUP:TYRES & TUBES	1846
INV MAT&SUP:WORKSHOP ACCESSORIES	2866

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The item for Inventory other consumables: farming and gardening supplies were changed to farming supplies. The definition of this item has been adjusted to read as follows:

This item includes farming bulk seed and seedlings, animal supplements, plastic bags for seedlings, packaging for produce, labels & tags for identification and marking of animals and plants, etc. excluding items specifically identified such as fertilizer, gardening supplies, insecticides, animal fodder and feed and irrigation material.

ITEM CHANGED	BAS SEGMENT NUMBER
INV OTH CONS: FARMING SUPPLIES	1797

The definition of the item for gardening supplies was changed to provide for adequate detail. The definition is as follows: This item is for gardening supplies such as water hoses, sprayers, plants, potting soil, compost, seed, pots, etc. It is important to note that the plants should not be biological assets which is used to produce other goods or services such as trees, vines and shrubs cultivated for production of fruits, nuts, sap, resin, bark and leaf products. Also excluded from this item are items specifically provided for in the chart such as fertilizer, insecticides and irrigation material.

ITEM DEFINITION CHANGED	BAS SEGMENT NUMBER
INV OTH CONS: GARDENING SUPPLIES	1772

2.7 Own & Leasehold Property Expenditure

A new item has been added to SCOA for rehabilitation and refurbishment of owned residential and non-residential buildings. This relates to activities that are required due to neglect or unsatisfactory maintenance or degeneration of an asset. The action implies that the asset is restored to its original condition, thereby enhancing the capacity and value of an existing asset that has become inoperative due to the deterioration of the asset. Such transactions are always classified as payments for capital assets in terms of the classification principles provided by the Reference Guide to the Economic Reporting Format, The item is breakdown allowed, and therefore departments must add its own posting level items under this non-posting level item.

ITEM ADDED	BAS SEGMENT NUMBER
OWN&LEAS PROP EXP:CON REFUR/REHA	2902

2.8 Operating Expenditure

A new category for cleaning services has been added to the chart. Under this category two new items have been created although the main category is breakdown allowed, so that departments can create more accounts that are relevant to the category, as may be determined by management. The two new items provides for laundry services and car valet and washing services. The item for laundry services are for dry cleaning and laundry services for items other than those that forms part of the building which will be allocated to owned and leasehold property expenditure.

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The item for car valet and washing services is for car valet and washing services of departmental vehicles.

ITEMS ADDED	BAS SEGMENT NUMBER
OPER/EXP:CLEANING SERVICES	2903
OPER/EXP:LAUNDRY SERVICES	2904
OPER/EXP:CAR VALET & WASH SERV	2905

2.9 Training & Development

The category for training and staff development has been amended to provide for training of both non-employees and employees. The word “staff” has been removed from the non-posting level item (388). The item previously known as “external training has been amended to provide specifically for employees and a new item has been added for non-employees.

It is important to note that those items should not be used for payments of annual membership fees to professional bodies where a government official is required to pay fees in order to fulfill the role as required by their employment contract or the position they have been appointed in and fees payable to maintain occupation where maintenance of standards is required for public safety, (e.g. auditors with IRBA), but is exclusively for payments made to institutes to attend seminars, workshops and training sessions.

ITEMS CHANGED	BAS SEGMENT NUMBER
TRAINING & DEVELOPMENT	388
TRAIN&DEV:EMPLOYEES	1735

ITEM ADDED	BAS SEGMENT NUMBER
TRAIN&DEV:NON-EMPLOYEES	2946

TRANSFERS AND SUBSIDIES

3. Departmental Agencies

The Co-operative Banking Development Agency was established to provide for the registration, as co-operative banks, of deposit-taking financial services co-operatives, savings and credit co-operatives, community banks and village banks, and the regulation and supervision of these banks. A new item for this purpose has been added under departmental agencies and accounts.

ITEM ADDED	BAS SEGMENT NUMBER
CO-OP BANKING DEV AGENCY (CBDA)	2906

A new item was added for a trading entity that is administered and funded by National Treasury. This trading account is operating under the Technical Assistance Unit. This trading entity plays a major role in the fields of legislation, institutional and municipal operation and capacity building by ensuring that prudent financial and project management are implemented throughout national, provincial and local government.

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ITEM ADDED	BAS SEGMENT NUMBER
TAU TRADING ACCOUNT	2948

The department of Public Works has the Parliamentary Village Management Board as a Departmental agency and annually payments are being made to the agency which is being classified as transfer payment.

ITEM ADDED	BAS SEGMENT NUMBER
PARLIAMENTARY VILLAGE MAN BOARD	2943

4. Municipalities

Provision was made for transfers to municipalities relating to gifts and donations. These types of payments would include prize money paid to municipalities as part of an award system for example the best municipality. Departmental financial management policies and legislation like the PFMA and Treasury regulations need to be consulted and followed when such payments are made.

ITEM ADDED	BAS SEGMENT NUMBER
MUN B/ACC:MUN GIFTS & DONATIONS	2495

5. Foreign Government & International Organisation

Three new items were added under the category for foreign governments and international organisations.

A new item was added on request of Department of Foreign Affairs for a newly introduced transfer payment to the Gambian Government.

A new item was added on request of Department of Justice and Constitutional Development for annual subscription fees payable to the Commonwealth Magistrates and Judges Association.

A new transfer payment to the Commonwealth Fund for Technical Cooperation was introduced by the National Treasury.

ITEMS ADDED	BAS SEGMENT NUMBER
GAMBIAN GOVERNMENT:LOCAL OFFICE	2950
COMMONWLTH MAG & JUD ASS (CMJA)	2942
COMMONWLTH FUND TECH COOP	2949

6. Subscription fees: Foreign Government & International Organisation

Four new items were added under the category: subscription fees to foreign governments and international organisations.

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A new item was added under the category for subscription fees to international organisations for subscription fees by the Department of Foreign Affairs to the Indian Ocean Rim Research Centre.

A new item was added for subscription fees to IFAD on request of the Department of Agriculture. IFAD is involved in various Agricultural projects in Africa and SA is a member of the Executive Board of Directors.

Another item was added due to the Republic of South Africa (Department of Transport) becoming a member of the Trans Kalahari Corridor Management Committee and need to pay annual subscription fees to this Committee.

The item for subscription fees for the International Commission of Agricultural Engineering (ICAE) was added to the chart for transfers in relation to subscription fees.

ITEM ADDED	BAS SEGMENT NUMBER
SUB FEES:INDIAN OCEAN RIM RES CE	2951
SUB FEES:IFAD	2981
SUB FEES:TKCMC	2977
SUB FEES:ICAE	2907

7. Public Corporations and private enterprises

A new item was added on request of the Department of Public Enterprises for the South African Express which has been separated from SAA and established as an entity on its own. South African Express (SAX) will be established as a Public Corporation.

ITEM ADDED	BAS SEGMENT NUMBER
SA EXPRESS (SAX)	2887

PAYMENTS FOR CAPITAL ASSETS

8. Purchase/construction of capital assets

The following items were added under the category for purchase/construction of capital assets on request by the Department of Defense.

ITEMS ADDED	BAS SEGMENT NUMBER
MIL TRUCKS & TACTICAL VEHICLES	2889
MILITARY TRAINING AIDS&DEVICES	2888
SHIP,SMLL CRFT, PONTOONS &FLOAT DOCKS	2890

RECEIPTS

9. Tax receipts

No changes have been made to this section.

10. Sales of goods and services

10.1 Sales by market establishments

Items were added under the category: Sales by market establishments to provide for rent collected from the letting of non residential buildings at commercial or market related rates, specifically schools and open and covered parking.

ITEMS ADDED	BAS SEGMENT NUMBER
MARK ESTAB:RENTAL SCHOOLS	1139
MARK ESTAB: RENTAL PARKING COVER&OPEN	2732

10.2 Administration fees

A new item was added for revenue collected for the Threatened and Protected Species Licenses (TOPS). Tops refers to regulations relating to listed threatened and protected species as defined in the Biodiversity Act 2004 (Act 10/2004) This item has been added on request from the Department of Economic Affairs, Environment and Tourism.

ITEM ADDED	BAS SEGMENT NUMBER
THREAT&PROTECTED SPEC LIC (TOPS)	2941

In terms of the Accreditation Regulations (Electronic Communications and Transactions Act, 2002 (Act no.25 of 2002)) “an application fee is payable by authentication service providers that apply for accreditation or whose authentication products or services resulting in and used to support an electronic signature have been accredited. An amount of R20 000.00 is payable in respect of each separate authentication product or service resulting in and used to support an electronic signature”. The fees paid in this regard are non-refundable. This item was added on request from the Department of Communications.

ITEM ADDED	BAS SEGMENT NUMBER
ACCRED ELECTRONIC SIGNATURE FEE	2954

In order for the following items to be more user friendly when searched on BAS, the word “receipts” were added after the name. This is to clearly differentiate between receipt and payment items with similar wording.

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ITEMS ADDED	BAS SEGMENT NUMBER
ADMINISTRATIVE FEES: RECEIPTS	264
LICENSES OR PERMITS: RECEIPTS	288
REGISTRATION: RECEIPTS	289
REQUEST FOR INFORMATION: RECEIPTS	290
INSPECTION FEES: RECEIPTS	291
OTHER SALES: RECEIPTS	265

The following items was removed from departmental receipts and added to the category for 'Direct Exchequer Revenue'. These accounts are only for the use of National Treasury.

ITEMS REMOVED	BAS SEGMENT NUMBER
EXH CONTR CPD ACC: PENALTIES	2958
74/26 STRUCTURE LEVY ACC	2959
BLOCKED RAND LEVY ACC	2960
FORM M.P.1423 LEVY ACC	2961
EXH CONTR CPD ACC: FORFEITS	2962
INDIV/ENT TRUST ACC	2963
INVESTIGATIONS GENERAL ACC	2964
ACC MAINT ITO EXH CONTR REG 18	2965
	2966

10.3 Other sales

No changes have been made to this section.

11. Fines penalties and forfeits

No changes have been made to this section.

12. Interest, dividends and rent on land

A new item has been added under the category for interest to provide for interest paid due to a department holding a bank overdraft at a commercial bank.

ITEM ADDED	BAS SEGMENT NUMBER
INT. PAID: BANK OVERDRAFT	2974

13. Sale of capital assets

No changes have been made to this section.

ASSETS, LIABILITIES AND EQUITY

14. Current assets

The following items were removed by BAS because the matching fields were initially erroneously captured. These changes could not just be rectified but new items had to be created to replace those incorrect ones.

ITEMS REMOVED	BAS SEGMENT NUMBER
ADV:DOM:PETROL ACC:CA	2908
SOCPEN ADVANCES	136
SOCPEN: CASH ADVANCES	2909
SOCPEN:CHEQUE ADVANCES	2910
SOCPEN:POST OFFICE ADVANCES	2911
TENDER DEPOSITS:FOREIGN:CA	2934
GENERAL DISALLOWANCES:CA	98
GMT RECOVERABLE REVENUE	2927
IRREGULAR EXP: DEPT VOTE:CA	2928
IRREGULAR EXP: DONOR FUND:CA	2929
IRREGULAR EXP: STATUTORY:CA	2930

The following items were changed. These items are for Central Provincial Stores System interface accounts - KZN mainly uses this account but Trading entities in Provincial Departments can also use these accounts for their Inventory Interfaces.

ITEMS CHANGED	BAS SEGMENT NUMBER
INVENTORY (PROV	76
INV PROV:CAPTIAL CA	1230
INV PROV:ISSUES CA	1231
INV PROV:ON HAND CA	1232
INV PROV:PROF/LOSS CA	1233
INV PROV:PURCHASES CA	1234

15. Non current assets

The following items were removed by BAS because the matching fields were initially erroneously captured. These changes could not just be rectified but new items had to be created to replace those incorrect ones.

ITEMS REMOVED	BAS SEGMENT NUMBER
SHARES DOM:NCA	2932
ADVANCES TO PRIV. ENTERPRISES:NCA	2912

16. Current Liabilities

A new item was added to the chart under the category for current liabilities to provide for the trading entities profit and loss account previously provided for on a separate COR database for trading entities. This account should only be used by trading accounts and trading entities.

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ITEM ADDED	BAS SEGMENT NUMBER
TRAD ENT:PROFIT&LOSS ACCOUNT CL	2969

A new item was added on request of the Department of Home Affairs to record deposits received from Foreigners, as required by the Immigration Act. These deposits are payable back after a claim is received. The item has been added with

four matching fields in order to identify the passport number, receipt number, principle initials and surname and the agents' initials and surname.

ITEM ADDED	BAS SEGMENT NUMBER
FOREIGN REPATRIATION DEPOSITS:CL	2975

The existing item for repatriation deposits was removed because the matching fields do not comply with identification requirements.

ITEM REMOVED	BAS SEGMENT NUMBER
REPATRIATION DEPOSITS:CL	713

The following items were removed by BAS because the matching fields were initially erroneously captured. These changes could not just be rectified but new items had to be created to replace those incorrect ones.

ITEMS REMOVED	BAS SEGMENT NUMBER
TENDER DEPOSITS:CL	2933
REGISTRATION OF MEDICINE(MCC):CL	2931
CONVERSION:DEBT:CL	2914

17. Non current Liabilities

No changes have been made to this section.

18. Net assets

No changes have been made to this section

19. Revenue: Financial assets

No changes have been made to this section.

20. Direct Exchequer Receipts

The following items have been added under the category for Direct Exchequer Receipts. It is important to note that the category was previously named "Direct Revenue Fund Receipts". The name was changed to be in line with the Annual Financial Statement reporting requirements.

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ITEMS ADDED	BAS SEGMENT NUMBER
FOREIGN EXCHANGE AMNESTY PROCEEDS	2955
INCORRECT TRANSFER FROM CPD	2956
LEBOWA MINERALS TRUST ABOLITION	2957
SPECIAL DIVIDENDS TELKOM	2967
SPECIAL DIVIDENDS ACSA	2968
EXH CONTR CPD ACC: PENALTIES	2958
74/26 STRUCTURE LEVY ACC	2959
BLOCKED RAND LEVY ACC	2960
FORM M.P.1423 LEVY ACC	2961
R/F REC: FORFEITS	2962
EXH CONTR CPD ACC: FORFEITS	2963
INDIV/ENT TRUST ACC	2964
INVESTIGATIONS GENERAL ACC	2965
ACC MAINT ITO EXH CONTR REG 18	2966

The names of the following items under the category for Direct Exchequer Receipts were changed to be in line with the Schedule 3 for Direct Exchequer Receipts.

ITEMS CHANGED	BAS SEGMENT NUMBER
AGRICULTURAL DEBT ACCOUNT SURREN	773
PROFITS ON GFECRA	775

21. Direct exchequer payments

The following items were added under the category for Direct Exchequer Payments. This was done to be in line with the Schedule 3 relating to Direct Exchequer Payments. These accounts are only for the use of National Treasury.

ITEMS ADDED	BAS SEGMENT NUMBER
PREM ON REST FOR MONETARY MAN PU	2952
INCORRECT TRANSFER FROM EXCHEQUER	2970

Please contact the SCOA project team via the **SCOA call center**, by sending a concise mail to scoa@treasury.gov.za if further clarity or discussion is required regarding the changes highlighted above.

For updated versions of the SCOA COR database, definitions and classification circulars visit <https://scoa.treasury.gov.za/>

Regards

SCOA Technical Committee

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