



3 April 2017

To: Members of the Hong Kong Institute of CPAs
All other interested parties

**INVITATION TO COMMENT ON IASB Exposure Draft
ED/2017/2 Improvements to IFRS 8 Operating Segments
(Proposed amendments to IFRS 8 and IAS 34)**

Comments to be received by 9 June 2017

The Financial Reporting Standards Committee (FRSC) of the Hong Kong Institute of Certified Public Accountants (Institute) is seeking comments on the IASB Exposure Draft. You may access the Exposure Draft from the Institute's website:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/financial-reporting/exposure-drafts/>

IFRS 8 *Operating Segments* was issued in 2006. It sets out the disclosure requirements for information about a company's operating segments, products and services, as well as the geographical areas in which it operates and its major customers.

The proposed amendments are a result of a Post-implementation Review (PIR) of IFRS 8 that was carried out to assess whether the Standard works as intended. The PIR confirmed that the IFRS 8 generally functions well but identified some areas that could benefit from improvements.

The proposed improvements in the Exposure Draft include amendments:

- to clarify and emphasise the criteria that must be met before two operating segments may be aggregated;
- to require companies to disclose the title and role of the person or group that performs the function of the chief operating decision maker; and
- to require companies to provide information in the notes to the financial statements if segments in the financial statements differ from segments reported elsewhere in the annual report and in accompanying materials.

The IASB also proposes to amend IAS 34 *Interim Financial Reporting* to require companies that change their segments to provide restated segment information for prior interim periods earlier than they currently do.

The FRSC invites your comments on the proposals by **9 June 2017** to allow your comments to be considered in developing its response to the IASB. Comments should be supported by specific reasoning and should be submitted in written form.

Comments may be sent by mail, fax or e-mail to:

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Comments will be acknowledged and may be made available for public review unless otherwise requested by the respondent.