



Our Ref.: C/FRSC

**Sent electronically through the IASB Website ([www.ifrs.org](http://www.ifrs.org))**

8 August 2017

Mr Hans Hoogervorst  
International Accounting Standards Board  
30 Cannon Street  
London EC4M 6XH  
United Kingdom

Dear Hans,

**IASB Exposure Draft ED/2017/2  
*Improvements to IFRS 8 Operating Segments***

The Hong Kong Institute of Certified Public Accountants is the only body authorised by law to set and promulgate standards relating to financial reporting, auditing, and ethics for professional accountants, in Hong Kong.

First of all, HKICPA appreciates your consideration of our feedback on the 2012 Request for Information *Post-implementation Review: IFRS 8 Operating Segments*. ED/2017/2 addressed most of our feedback.

HKICPA supports most of the proposals in ED/2017/2. In particular:

- The identification of segments, is based on how an entity's operations are reported to the 'chief operating decision maker' (CODM) as a function, and not necessarily a manager with a specific title. HKICPA therefore supports the proposals in paragraphs 7, 7A, 7B and 22(c). HKICPA also supports including paragraph BC25 in the final amendments to explain the usefulness of disclosing the title and role of CODM. In addition, HKICPA and our stakeholders are aware that some or all of the information proposed to be required under paragraphs 7, 7A, 7B and 22(c) may already be disclosed in other parts of the annual report. Therefore, we recommend that the IASB considers allowing those information to be cross-referenced in the financial reports to avoid duplication.
- HKICPA also supports the proposed paragraph 45A in IAS 34 *Interim Financial Reporting* — we do not think this is a new requirement as this is consistent with the 'retrospective application' requirement in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and paragraph 29 of IFRS 8. HKICPA therefore recommends the IASB to include in the basis for conclusions that the proposed amendment in IAS 34 is not a new requirement. HKICPA would also like to inform the IASB that one of our stakeholders commented that the restatement may not reflect how they manage their business in prior periods and therefore this stakeholder does not support the 'retrospective application'.
- Consistent with the statement in proposed paragraph 19A, HKICPA and our stakeholders consider that an entity is expected to identify the same reportable segments in its financial reports as in other parts of its annual reporting package. This follows the 'management approach' reporting underlying IFRS 8. Therefore, we disagree with the proposed disclosure in paragraph 22(d). We consider the way in which proposed paragraph 22(d) is drafted implies that the segment disclosure in financial reports can deviate from other parts of an entity's annual reporting package.



If there is a difference between the financial report and the annual reporting package it may be because of multiple sets of components that meet the characteristics in paragraph 5 (analogous to the situation contemplated by paragraph 10). The IASB could consider expanding the requirements in paragraphs 22(a) and 22(aa) to explain such situations.

If you have any questions regarding the matters raised in this letter, please contact me or Anthony Wong, Associate Director of the Standard Setting Department ([anthonylwong@hkiipa.org.hk](mailto:anthonylwong@hkiipa.org.hk)).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'CNg'.

Christina Ng  
Director, Standard Setting Department