

Exposure Draft ED/2017/2 Improvements to IFRS 8 Operating Segments - Proposed amendments to IFRS 8 and IAS 34

Question to constituents

15 Do you think that the ED provides sufficient guidance to support the application of judgement when identifying the CODM under paragraphs 7, 7A and 7B of the ED? If not please explain why, and provide examples of the cases in which you think the proposed guidance would not be sufficient.

We consider that the ED provides sufficient guidance to support the application judgement when identifying the CODM (§7, 7A and 7B).

Questions to constituents

28 The EFRAG Board plans to discuss, at a future meeting, the boundaries of the IASB's mandate and whether the IASB should address matters that go beyond the contents of IFRS financial statements. Do you agree with EFRAG's preliminary reservations over the proposal in paragraph 22(d) of the ED to require an entity to explain in the financial statements how and why the reportable segments identified in the financial statements differ from those identified in other parts of the 'annual reporting package'. If not why? In addition, if you agree with EFRAG's preliminary position, what steps, if any, do you think the IASB could take to address the lack of consistency in identifying operating segments across an entity's communications as to address users' and regulators' concerns?

We agree with EFRAG's preliminary reservations. We think that it will be difficult to define "annual reporting package", since the content of the package will differ among countries, depending on other legal requirements. On the other hand, we think that the requirement of an entity to explain why segments identified in the financial statements are different to the segments reported outside of the entity's financial statements questions the boundaries of the IASB's mandate.

29 Do you agree with EFRAG's preliminary view that the proposal in paragraph 19B of the ED to define an entity's annual reporting package will raise a number of concerns as described in paragraph 26 above? If not please explain why?

We agree with EFRAG's preliminary view that the definition of "annual reporting package" will raise several concerns.

Lisbon, 31th May 2017