



**EFRAG and the Accounting Standards Committee of
Germany (ASCG) Outreach Event:**

**Post-Implementation Review
IFRS 8 *Operating Segments*
Preliminary Views of the ASCG**

Frankfurt, 13 November 2012

Disclaimer

Die in dieser Präsentation vertretenen Ansichten geben die persönliche Meinung des Präsentators wieder und nicht notwendigerweise die Sicht des DRSC e.V.

The views expressed in this presentation are those of the presenter, not necessarily those of the ASCG



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1. Identification of Operating Segments

- Clarification of the requirements for the identification of the operating segments
- Guidance for the identification of the CODM
- Investors:
 - Decrease in comparability due to the leeway in the identification of the operating segments
 - Identification of the operating segments used to represent the company in a favourable way
- Academics:
 - Modification of the internal reporting structure in order to reach the intended external reporting structure → result: suboptimal internal reporting structure



2. Identification of Reportable Segments

- Clarification of the requirements for the identification of the reportable segments
- Preparer:
 - Guidance for the timely dimension in the segment aggregation (Use of the past, current, or future situation?)
- Academics:
 - Allocating costs to the category 'all other segments' → distorted presentation of the performance of the operating segments



3. Disclosures

- Preparer, auditors:
 - Guidance for selecting the measures to be reported
 - management information systems offer many measures
 - several measures are provided to the CODM
 - → there is more than **one** measure
 - Guidance on how materiality has to be judged
 - Missing of information for entity-wide disclosures



4. Measurement

- Preparer:
 - Guidance how to deal with information only provided to specific members of the CODM
- Investors:
 - Decrease in comparability due to the number of reported non-IFRS measures
 - Clarification to the requirements for reconciliations



5. Summary

- Investors:
 - Ambivalent: approving management approach vs. decreasing comparability
 - Requesting information about segment cash flows
- Other:
 - Generally, positive feedback for IFRS 8
 - Guidance to specific requirements requested
 - Not a full management approach in consequence of the requirement to report specific measures
- Academics:
 - Minor changes in segment reporting with IFRS 8
 - Reduction in one-segment-companies



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