



16 November 2012

Our ref: ICAEW Rep 173/12

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

Dear Hans

Post-implementation Review: IFRS 8 *Operating Segments*

ICAEW welcomes the opportunity to comment on the post-implementation review of **IFRS 8 *Operating Segments*** published by the IASB on 19 July 2012.

ICAEW is a world-leading professional accountancy body. We operate under a Royal Charter, working in the public interest. ICAEW's regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the UK Financial Reporting Council. We provide leadership and practical support to over 138,000 member chartered accountants in more than 160 countries, working with governments, regulators and industry in order to ensure that the highest standards are maintained.

ICAEW members operate across a wide range of areas in business, practice and the public sector. They provide financial expertise and guidance based on the highest professional, technical and ethical standards. They are trained to provide clarity and apply rigour, and so help create long-term sustainable economic value.

The Financial Reporting Faculty is recognised internationally as a leading authority on financial reporting. The Faculty's Financial Reporting Committee is responsible for formulating ICAEW policy on financial reporting issues, and makes submissions to standard setters and other external bodies. The faculty also provides an extensive range of services to its members, providing practical assistance in dealing with common financial reporting problems.

We support the Board's efforts to gather post-implementation feedback on its recent standards and we acknowledge the commitment to transparent due process that this exercise represents. However, on this occasion, after extensive consultation with our members, we do not have any specific insights to offer on the operation of the standard. Partly this is due to the nature of IFRS 8 *Operating Segments*. Although concerns were raised at the exposure draft stage over the potential commercial sensitivity of the disclosures and possible difficulties in identifying the chief operating decision maker (CODM), these are largely transitional issues. Having grappled with these matters on transition, they may not present significant on-going problems and therefore perhaps merit less attention in an exercise aimed at providing evidence for future improvement.

A bigger obstacle to obtaining feedback may be the reluctance of constituents to engage with this process when near-term change to the standard seems unlikely. Were there significant practical issues with the standard, then comment might be expected, but given that preparers appear to be now

applying the standard without any great difficulty, there may be less incentive for constituents to dedicate time to providing feedback.

To elicit a broader range of responses, the Board may wish to consider a slightly different approach. It may be that inviting specific constituents to participate in a 'focus-group' session might encourage greater feedback. The Board might also wish to commission some further research of published financial statements under IAS 14 and IFRS 8 to allow the systematic identification of changes in practice under the new standard. We stand ready to assist the Board in any exercises it may choose to pursue in this regard.

Yours sincerely

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