STAFF PAPER

May 2012

IASB Meeting Previous meeting: March 2012

Project	**Post-implementation review of IFRS 8**
Paper topic	Update and approach to investigations

CONTACT(S) April Pitman apitman@ifrs.org +44 (0)20 7246 6492

Purpose

1. You discussed the post-implementation review (PIR) of IFRS 8 *Operating Segments* at the March 2012 Board meeting, at which you tentatively decided:

    (a) to extend the review of IFRS 8 to include investigating whether IFRS 8 had improved financial reporting; and

    (b) to consult publicly as part of the PIR of IFRS 8.

2. The purpose of this paper is to:

    (a) update you on how these tentative decisions have been reflected in the revised *Due Process Handbook* that will be issued for public comment on 8 May; and

    (b) consult you on:

        (i) how we propose to structure the review and reporting processes of the PIR of IFRS 8;

        (ii) how we plan to draft the Request for information (RFI) on IFRS 8; and

        (iii) how we plan to investigate the effect of applying IFRS 8.

Questions for the Board

3. In this paper we will ask:

    (a) whether you agree with the structure proposed for conducting the investigation and reporting phases of the PIR of IFRS 8;

    (b) whether you agree with the proposed basis for drafting the RFI;

    (c) whether the preliminary issues identified for investigation are complete or require amending; and

    (d) whether you have any suggestions on how the investigation process as applied to IFRS 8 could be improved.

Structure of the paper

4. The paper is organised as follows:

    (a) update on the generic PIR methodology;

    (b) structure of the investigation and reporting phases;

    (c) structure of the Request for Information (RFI);

    (d) the investigation process; and

    (e) project timetable and next steps.

Update on the generic PIR methodology

2. The Board's generic approach to PIRs has been further developed in 2012 to reflect feedback received and decisions taken on the PIR of IFRS 8. The Board's current proposed methodology is now contained in the revised *Due Process Handbook* that will be issued for public comment in May. An extract of the section of that handbook that deals with PIRs is attached as Appendix A.

3. The revised handbook describes two planned phases of a typical PIR:

    (a) Phase 1: *Initial assessment and public consultation*. This phase consists of:

   (i) an initial assessment to identify issues that were important or contentious at the time the IFRS was developed, or issues that came to our attention after the IFRS was published, and to identify unexpected costs or implementation problems;

   (ii) consultation with IFRS-related bodies and interested parties; and

   (iii) public consultation on matters to be examined in a Request for Information (RFI).

(b) Phase 2: *Consideration of evidence and presentation of findings*. In this phase the Board will:

   (i) consider comments received on the RFI;

   (ii) consider the need for additional information or evidence; and

   (iii) present its findings in a public report.

Structure of the investigation and reporting phases

5. We considered structuring the investigation approach in a number of ways. You could investigate the issues from the perspective of the participant, eg as an investor or as a preparer or, alternatively, assess the effect based on function, such as the effect of applying IFRS 8 on financial reporting, implementation or regulation.
6. In our view, however, the process is most conveniently structured by considering the key decisions that the Board took in drafting IFRS 8 and assessing the effect of each decision. Those key decisions were:
   (a) the decision to use a management perspective, rather than geographical location or deliverables, as the basis for identifying operating segments;

   (b) the decision that amounts reported should be measured on the same basis as reported to the chief operation decision maker (CODM); and

   (c) the decision that line items reported in the segment disaggregation would be those line items regularly used by the CODM.

7. Structuring the investigation and responses on a decision-by-decision basis would also highlight to the Board which decisions, if any, should be reconsidered. It

should also make the identification of any potential outcomes of the PIR process easier to identify.

Question 1
Do you agree that the structure of the review process should be based on the key decisions made by the Board when developing IFRS 8? Do you agree that we have correctly identified the key decisions made by the Board when developing IFRS 8?

Structure of the RFI

8. At the February meeting, you decided that the investigation process should be as transparent as possible and should include a public consultation process through soliciting comment letters in response to a Request for Views (RFV). A 120 day comment period would normally be allowed for this process.
9. This process will collect evidence, rather than opinions, and so we suggest calling the consultative document a Request for Information (RFI). This approach is reflected in the draft revised *Due Process Handbook*, included at Appendix A.
10. We suggest that the key decisions taken by the Board when developing IFRS 8, noted in paragraph 6, should form the basis for the questions in the RFI.
11. On that basis, tentative questions for the RFI would be:

    Q 1 What was the effect of the Board's decision to identify and report segments based on the management perspective?

    Q 2 What was the effect of the Board's decision to require reported line items to be measured on a basis consistent with amounts reported to the chief operating decision maker (CODM)?

    Q 3 What was the effect of the board's decision to report only those line items regularly reviewed by the CODM?

    Q 4 A question on the disclosures required by IFRS 8

    Q 5 A question to identify whether any unintended consequences or unexpected costs arose from applying IFRS 8.

12. In our view, the RFI itself would be similar in format to the Request for Views *Agenda Consultation 2011*. Each high-level question would be followed by:

    (a) a description of the basis on which the Board took that decision;

    (b) a summary of contentious issues related to that decision; and

    (c) a more detailed description of a few preliminary issues identified for investigation to prompt discussion.

13. The RFI will emphasise that we would like evidence and examples in support of any views expressed whenever possible.

Question 2
Do you agree that in the RFI we should ask high-level questions on the effect of the key decisions made and stress the importance of providing evidence and examples, rather than views or opinions, in support of the answers provided?

The investigation process

Preliminary issues identified for investigation

14. As part of the review process, we have assembled a schedule of preliminary issues identified for investigation that arose, or were expected to arise, on the application of IFRS 8. These issues have been collected from discussions and correspondence with the International Forum of Accounting Standard Setters (IFASS—formerly the National Standard Setters), firms, regulators, investors and others.
15. The schedule of issues is not meant to be an assessment of the participants' preliminary findings nor a summary of their conclusions about the application of IFRS 8. Instead, it is a preliminary scoping exercise for the review process itself.
16. An understanding of the main issues allows us to ensure that our efforts focus on gathering evidence about those key issues. In addition, by making ourselves aware at the planning stage of the likely issues that should be reported by the PIR process, we can test beforehand whether our investigation methodology is adequate to identify those issues and to gather sufficient evidence about those issues so that the Board can adequately assess the effect of IFRS 8 in that area.

17. The schedule of preliminary issues identified for investigation is included as Appendix 2.

Investigation tools

18. There are a number of possible tools that we plan to use in investigating the effect of implementing IFRS 8:

    (a) RFI—our formal comment letter process is a good source of detailed input from a wide range of constituents, conducted in an entirely transparent way.

    (b) Workshops—these are useful for obtaining detailed information about specific issues and for engaging with constituents, such as investors, who may be under-represented in a formal comment letter process.

    (c) Review of academic research and available literature—this is a good way to collect impartial and, especially, quantifiable data to include in the Board's assessment process. This review is well under way and preliminary findings will be reported to the Board in June.

19. The different components of the investigation process are complementary. In order to illustrate how we think the proposed components of the investigation process ensures an integrated approach to the PIR, the schedule of preliminary issues identified for investigation has been structured to reflect the questions that might be asked in the RFI and to indicate which investigation tools might be effective in gathering supplementary evidence in each area.
20. The investigation method attributed to each issue in that schedule is purely illustrative and would not exclude additional information, or other types of information, being gathered throughout each process.
21. The schedule of preliminary issues identified for investigation also includes a suggestion of what types of issues should be capable of investigation in a quantitative way—ie when 'hard' evidence should be available in support of a potential outcome.

Use of questionnaires

22. Many have suggested using a questionnaire based on the preliminary issues identified for investigation as a principal tool in gathering evidence.
23. We do not think, however, that a questionnaire would be useful in collecting data on which to base the Board's assessment of the application of IFRS 8:
    a. In our view, the design of the questions in a questionnaire will often constrain responses and limit the information collected. Even when well-constructed questionnaires result in reliable and relevant data, the survey process will only tell you what the facts are—not why that is so or what the significance or effect of those findings are.
    b. Questionnaires are also often used for gathering opinions and attributing ranges of importance to those opinions, but in conducting the PIR of IFRS 8 we are more concerned with gathering assessable evidence rather than views.
24. We think that the schedule of preliminary issues identified for investigation should be used as a workshop tool and not as a questionnaire for public survey. The issues identified, updated as time goes on, can be used as an aide-memoire at meetings to prompt discussion and as a basis on which to ask for evidence about specific points not otherwise identified in that workshop. Similarly, when the IFASS facilitate local workshops they can use these issues as a checklist to ensure that as many areas are investigated as possible.
25. (This view on questionnaires would not necessarily apply to other PIRs, where the nature of the issues investigated might more readily be investigated through a questionnaire-based, public survey process.)

Question 3
(a) Are there any additional issues that you would like to include, for completeness, in the schedule of preliminary issues identified for investigation at this stage? (b) Would you like to amend any of the recorded issues? (c) Are there any further investigation tools or review activities that you would like to suggest?

Project timetable and next steps

Timing of review work performed	
Time period 2012	**Activities**
January and February	Identification of potential issues and design of work programme
March and April	Preliminary issues identified tested with firms, regulators, standard-setters and investors. Review of existing academic research and other literature begun.
May	Confirm issues for investigation. Board to confirm outline RFI and investigation methods.
June	Publish RFI
July–October	Workshops and other outreach to gather additional evidence
October	End of comment period
November	Analysis of responses to the RFI and feedback from workshops and outreach activities
December	Preliminary findings to Board Board assesses adequacy of data collected

A1. Extract from Revised Due Process Handbook 30 April 2012

Post-implementation review

1.1. The IASB is required to conduct a PIR of each new IFRS or major amendment. A PIR normally begins after the new requirements have been applied internationally for two years, which is generally about 30 to 36 months after the effective date.

1.2. In addition to PIRs that respond to a new IFRS or major amendment, the IASB may decide to conduct a PIR in response to changes in the financial reporting environment and regulatory requirements, or in response to concerns about the quality of an IFRS that have been expressed by the Advisory Council, the Interpretations Committee, standard-setters or interested parties.

1.3. Each review has two phases. The first involves an initial identification and assessment of the matters to be examined, which are then the subject of a public consultation by the IASB in the form of a Request for Information. In the second phase, the IASB considers the comments it has received from the Request for Information along with information it has gathered through other consultative activities. On the basis of that information, the IASB presents its findings and sets out the steps it plans to take, if any, as a result of the review.

Initial assessment and public consultation

1.4. The goal of improving financial reporting underlies any new IFRS. A post-implementation is an opportunity to assess the effect of the new requirements on investors, preparers and auditors. The review must consider the issues that were important or contentious during the development of the publication (which should be identifiable from the Basis for Conclusions, Project Summary, Feedback Statement and Effect Analysis of the relevant IFRS), as well as issues that have come to the attention of the IASB after the document was published. The IASB and its staff also consult with the wider IFRS community to help the IASB identify areas where possible unexpected costs or implementation problems were encountered.

1.5. This initial review should draw on the broad network of IFRS related bodies and interested parties, such as the Interpretations Committee, the IASB's consultative groups, including the Advisory Council, securities regulators, national and regional standard-setting bodies, preparers, auditors and investors. The purpose of these consultations is to inform the IASB so that it can establish an appropriate scope for the review. How extensive the consultations need to be in this phase will depend on the IFRS being reviewed and on what the IASB already knows about the implementation of that IFRS. The IASB needs to be satisfied that it has sufficient information to establish the scope of the review.

1.6. The IASB publishes a Request for Information, setting out the matters for which it is seeking feedback by means of a formal public consultation. In the Request for Information, the IASB should explain why it is seeking feedback on the matters specified and should include any initial assessment by the IASB of the IFRS or major amendment being reviewed. The

Request for Information will also set out the process that the IASB followed in establishing the scope of the review.

1.7. The IASB normally allows a minimum of 120 days for comment on a post implementation Request for Information. The IASB must inform the DPOC before the Request for Information is published if it intends to have a comment period of less than 120 days.

1.8. The IASB may decide, on the basis of its initial assessment, that it would be premature to undertake a review at that time. The IASB must inform the DPOC of its intention to defer a PIR, explaining why it has reached this conclusion and indicating when it expects to resume the review.

Consideration of evidence and presentation of findings

1.9. The IASB considers whether it is necessary to supplement the Request for Information with other information or evidence, such as by undertaking:

(a) an analysis of financial statements or of other financial information;

(b) a review of academic and other research related to the implementation of the IFRS being reviewed; and

(c) surveys, interviews and other consultations with relevant parties.

1.10. The extent to which further information is gathered will depend on the IFRS being reviewed and the feedback in the Request for Information.

1.11. The IASB considers the comments that it has received from the Request for Information along with the evidence and information that it has obtained from any additional analysis. When the IASB has completed its deliberations, it presents its findings in a public report. The IASB may consider making minor amendments to the IFRS or preparing an agenda proposal for a broader revision of the IFRS. There is no presumption that a PIR will lead to any changes to an IFRS. The IASB may also continue informal consultations throughout the implementation of the IFRS or the amendment to the IFRS. The IASB may recommend to the DPOC that the IASB should make changes to its procedures, such as how effects of the IFRS are assessed or additional steps that should be taken during the development of an IFRS.

1.12. The IASB must inform the DPOC when it has completed its review and provide the DPOC with a draft of the report. When the DPOC is satisfied that the IASB has completed the review satisfactorily, the report can be finalised.

Appendix A 2 Preliminary issues identified for investigation

Characteristics	Possible effects	Quantify	Investigation methods		
			RFI	*Research*	*Workshop*
Decision 1. Management perspective as basis of segmentation			**Q 1**		
Does it provide more relevant information to users?	Has it affected forecast accuracy; forecast dispersion; analyst consensus?	**Y**		**R**	**I**
Does it enable preparers to communicate more effectively with investors?					**N**
Does the gain in entity-specific information outweigh the potential loss of comparability across entities?					**I**
Definition of operating segments					
Identifying operating segments Requirements of paragraphs 5-10 describing operating segments are descriptive and complex. Their interpretation can be su bjective.	(a) It may be difficult to identify operating segments. (b) Inconsistent identification of operating segments may result in less useful information. (c) Some entities may interpret the identification criteria in a way that presents segments most favourably.				**N**
Segregation of revenue-centres and cost-centres An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses. (a) A vertically integrated operation for which no revenues are allocated can still meet the definition of an operating segment.	This can have a number of effects: (a) It may be difficult to understand vertically integrated entities. (b) If costs and revenues are segregated in different segments, profitability may not be monitored, or meaningful, at a				**I**

(b) Some manufacturing entities might have operating segments that are solely cost centres. (c) Customer facing segments might have revenue but not have central costs allocated to them. (d) An operating segment can include significant revenue relating to transactions with other operating segments.	segment level. (c) Costs may be allocated to ‘all other segments’ to increase profitability of reported operating segments. (d) There may be a significant number of reconciling items between operating segment disaggregations and the financial statements. Useful information may be obscured.				
Components omitted from the segment definition a) Components of the business will not meet the definition of an operating segment if it has no costs and / or it is not reviewed by the CODM. Eg sales of legacy software. b) Corporate HQ is not a segment. c) Other centrally-managed functions may be omitted from operasting segments but may be key to managing operational profitability eg treasury function in the financial sector	a) Significant components of the entity’s performance would be omitted from the disaggregated segment information. Will often be significant costs centres omitted from disaggregation. b) A significant segment explaining risk management may be unreported				**I**
Interaction between management structure and reported segments					
Use of management perspective a) Reporting based on management structure means easy to prepare, at little incremental cost b) Easy to prepare so facilitates interim disclosures c) Basing external reporting on how operating decisions are made should provide more useful information Management structure varies by entity d) Frequency of change in management structure	(a) There should be little additional costs on implementation and little recurring costs. (b) Early adoption should be easy, and common (c) Should result in more interim segment reporting (d) Interim segments may differ from year-end segments. (e) Investors will better understand risks	**Y** **Y** **Y** **Y**		**R** **R**	**Both**

may occur because of restructuring, acquisitions, disposals or changes in senior management.	and business decisions (f) Loss of comparability of segments across entities (g) Internal re-organisations will limit the comparability of segment information within that entity and results in loss of trend information	**Y** **Y**		**R** **R**	
Management granularity a) Management structure is expected to be at a low level to be effective b) Reported operating segments should agree with MD&A commentary	(a) Should give increased granularity and more segments (b) Should result in fewer single segment entities (c) Many examples where MD&A is different from reported segments	**Y** **Y** **Y**		**R** **R** **R**	**I**
Effect of CODM					**N**
Identification of CODM (a) It can be difficult to identify the CODM. (b) It is not clear how to distinguish the CODM from key management personnel . (c) There is no requirement to disclose the identity of the CODM	a) The CODM may be incorrectly identified b) The incorrect identification of the CODM could result in less-useful or misleading information being reported. c) CODM may not be disclosed, so basis of reporting may not be understood	**Y**		**R**	
Strategic vs operating hierarchies (a) In groups, decisions are often taken at different levels eg business unit, business division or group. In basing decision making on the chief operating decision maker, the use of 'operating' seems to be a misnomer, as most seem to make this judgement based on strategic, rather than operational, decisions. Strategic decisions may be taken by group-level	(a) Entities may be reluctant to give competitors full transparency of operational decision making and may want to obscure actual hierarchy. (b) MD&A and presentations to investors may differ significantly from operating segment disclosures. (c) Multiple reporting hierarchies make it	**Y**		**R**	**Both**

CODM; operating decisions taken at a lower level. (b) The CODM is defined as the function that allocated resources and assesses performance. Those two functions can differ depending on type of transactions. Decisions re capital expenditure may be taken by one CODM based on one information set; the assessment of the performance of a customer-facing business unit may be made by another CODM based on another information set (c) Some believe that the CODM is assessed at too high a level. Some believe the CODM is identified on basis of strategic leadership and not 'operational' decision-making. (d) The emphasis placed on the information provided to the CODM places the emphasis on the reporting structure, rather than a management responsibility structure.	difficult to establish or verify which alternative reporting structure represents operating segments. (d) Matrix reporting especially problematic (e) How do you ensure completeness or, alternatively, prevent including some components twice if alternative structures are used? (f) Viewing segments at corporate level explains why often MD&A has more granularity at an operating level				
Interaction with Board of Directors (a) Paragraph 8 implicitly extends the definition of the CODM by suggesting that one factor that helps identify an operating segment is whether the information is presented to the board of directors. The implication is that the CODM and the board of directors are the same. This view is reinforced by the practice that budgets (including the allocation of resources) are authorised by the board.	a) Default may be to assume CODM is Board b) The board will include non-executive directors who cannot be CODMs c) Assuming the CODM= board will create corporate governance issues in some jurisdictions.	**Y**		**R**	**Both**
Identifying segments - effect of aggregation guidance					

The inter-relationship between aggregating identified operating segments and identifying reporting segments is complex: (a) Paragraph 12 sets out a number of characteristics required for aggregation. This aggregation guidance is complex and there is no guidance on how the different factors included in the assessment of aggregation should be weighted. (b) Paragraph 15 then requires a second , relaxed application of those aggregation factors to ensure aggregated segments achieve quantitative milestones of 75%. (c) Preparers may become confused between the difference between operating segments and reporting segments. (d) Reporting segments are identified using 10% thresholds and total reported segments must exceed 75% thresholds. (e) 8.12 uses the term ‘ similar’ for aggregation. Lack of guidance re economic risks. In particular, guidance takes no account of different market places, geographies or currencies.	This complexity has a number of effects: (a) The basis of aggregation may not be adequately disclosed or may not be easily understood (b) Segments may be misidentified (c) Many think that the quantitative thresholds are rules that conflict with the principle. The materiality constraints and re-aggregation invalidate the initial identification process (d) Dis-similar segments may be aggregated (e) Due to the complexity of the process a number of dissimilar and immaterial segments may remain in ‘all other segments’. (f) Disclosures may be voluminous	**Y**		**R** **R**	**Both**
Decision 2. Use of non-IFRS measures			**Q 2**		**I**
Does the required use of internally-reported (non-IFRS) measures provide more relevant information to users?					
Understandability of figures The use of non-IFRS measures was expected to result in a clearer communication of risks to investors.	a) Are non-IFRS figures understood by investors? b) Does the use of non-IFRS measures				

	result in a perceived lack of reliability?				
The CODM may review a number of alternative profit measures eg EBITDA, PBT, PAT.	a) Many alternative non-IFRS profit measures may be used, restricting comparability. b) Are all alternative measures disclosed by segment or only at group level? (Paragraph 26 states that the alternative closest to IFRS should be used.)	**Y** **Y**		**R** **R**	
Decision 3. Reporting based on use of CODM-reviewed line items			**Q 3**		**I**
Does the required use of internally-reported line items provide more relevant information to users?					
Reported line items Line items reported will be those reviewed by CODM. (a) This will vary between entities. (b) Within a single entity, this might vary with individual CODM or over time.	(a) Line items that are important to investors, such as cash flows or working capital, may not be reported. (b) Lack of comparability between entities. (c) Loss of trend data	**Y** **Y**		**R** **R**	
Potential loss of profit information a) In many sectors, revenue is the key driver of performance. b) Costs may be managed separately and centrally. c) Cost may not be allocated. d) Segments may be managed solely through revenue and profitability may be ignored.	a) May omit operating profit from segment reporting b) Costs, and risks, may not be reported by segment	**Y** **Y**		**R** **R**	
Emphasis is placed on information reviewed by CODM for purposes of making decisions and allocating resources. Information may be reported to the CODM – but not used.	Impossible to verify what information is actually used by the CODM in decision making.				

Decision 4. Disclosures required			Q 4		Both
Confusing range of disclosures required a) Paragraphs 20-24, 28 and 31-34 all deal with disclosures. b) It is also unclear how they interact. Paragraph 32 requires an entity to report revenues from external customers for each product or service, unless it is included in disclosures about segments. It is unclear whether a company that reports on a product or service basis must make additional disclosures if its operating segments aggregate dissimilar products and services.	a) Including the disclosure requirements in different sections means the requirements are confusing and some disclosure may be omitted.				
Disclosure of balance sheet elements Disclosure of assets is confusing and seemingly contradictory to requirement that only disclosed if reported to CODM: a) IN 6 Says measure of assets must be reported b) 28 c requires reconciliation of assets c) 13 quantitative threshold includes assets Paragraph 23 requires that total assets and liabilities of each reportable segment is disclosed if this information is regularly provided to the CODM. (a) The wording of this requirement is not clear – must both assets and liabilities be reported? To trigger the requirement, must the information regularly reported to the CODM be reported to him by segment or at corporate level? (b) Responsibility for balance sheet elements may not be managed at the operating segment level.	a) Balance sheet elements may not be disaggregated by segment b) Balance sheet elements may be difficult to allocate to operating segments. c) Allocations may be artificial or misleading.	**Y**		**R**	

Materiality No specific guidance is given on materiality for disclosure. Some believe there is conflicting implied guidance on materiality: a) Paragraph 33 (a) and (b) require disclosure of geographical information, if material. b) Paragraph 34 requires disclosure if 10% or greater. c) Paragraph 10 defines reporting segments as operating segments that satisfy a 10% threshold.	Disclosures may be excessive				
Reconciliations					I
Complexity of reconciliations Reconciliation to the corporate-level results can be confusing. Reconciling items include: (a) Operating segments that did not meet the ‘reportable’ criteria (b) Operations that do not meet the definition of an operating segment eg corporate HQ (c) Differences in the definition of line items eg EBITDA (d) Differences due to the use of non-IFRS measures eg results at constant exchange rates; budgeted standard costing	(a) Reconciliations become so complex that information is lost (b) Material reconciling items may not be separately identified (c) Some adjusting entries may be commercially sensitive				
Lack of presentation guidance No detailed guidance is provided about how the reconciliation should be presented or what degree of separation should be maintained between the four components (a-d) above.	Information may not be understandable and useful information may be lost				
Level at which reconciled					

The adjusting items in the reconciliation are generally done at corporate level rather than segment-by-segment.	The value of the operating segment information is reduced.	**Y**	**R**		
Entity-wide disclosures					
a) Requirement for separate disclosure of material customers is useful. Some jurisdictions include suppliers as well. b) Geographical disclosure about revenue from external customers and non-current assets is required by paragraph 33.	May omit disclosure, especially if commercially sensitive.	**Y**	**R**		
Other consequences			**Q 5**		**N**
IAS 36 Impairment of Assets a) Confusion as some think CGUs should be reconcilable with operating segments b) Segments interface with CGU will differ because definition of operating segments may exclude central cost centres. c) If operating segments are assumed to mirror CGUs, increased granularity would result in greater risk of impairment.	a) If a shared-service model is used, CGUs may be very different. b) Pressure to amalgamate segments to prevent recognising impairment losses				
IFRS 11 Joint Arrangements Reporting entity is required to equity account for joint ventures.	Will be excluded from reporting entity's segment analyses. May represent substantial proportion of undertaking, especially in some industries such as oil and gas.				
Scope Some think that 'traded in a public market' excludes many entities eg managed funds and finance companies	(a) Segment information is not provided (b) Some issuers may be given a competitive advantage in not having to disclose segments				

Y- capable of quantification	I – explore at investor workshops
Q – question in RFI	N – explore at non-investor workshops
R– review research if / when available	Both – likely to arise at both investor and non-investor workshops