

STAFF PAPER

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FASB | IASB® Meeting

| Project | Segments | | |
|-------------|----------------|--|----------------------|
| Paper topic | Cover note | | |
| CONTACT(S) | Clair Grindley | cgrindley@ifrs.org | +44 (0) 20 7246 6480 |
| | Takaaki Otsu | totsu@ifrs.org | +44 (0) 20 7246 6452 |
| | Lauren Mottley | lmottley@fasb.org | +1 203 956 3472 |

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Objective of this education session

1. The objective of this session is to provide a summary of the work completed by the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) on segment reporting.
2. The IASB issued IFRS 8 *Operating Segments* in 2006. The Standard was the result of a short-term convergence project with the FASB. At the time the FASB requirements on segments were in FASB Statement No. 131 *Disclosures about Segments of an Enterprise and Related Information* (now codified in Accounting Standards Codification Topic 280).
3. The core principles and requirements of the two Standards were aligned, with both Standards adopting the management approach to segment reporting.
4. Both Standards have been subject to Post-Implementation Reviews (PIR):
 - (a) The PIR of IFRS 8 identified some areas for potential improvement that resulted in the issuance of an Exposure Draft in March 2017. Following the comment letter and feedback analysis, the Board decided not to amend IFRS 8 at this time.

(b) The PIR on FASB Statement No. 131 did not result in any changes to the Standard. However, the FASB added a project to its Work Plan in September 2017 addressing:

- (i) the aggregation criteria for operating segments; and
- (ii) segment disclosure requirements.

5. There are three agenda papers that accompany this cover paper and summarise the activities of the two standard-setters:

- (a) The IASB paper (27A)
- (b) The FASB paper (27B)
- (c) The FASB slide deck (27C)