

## Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 Operating Segments)

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*Updated in January 2026 to replace references to IAS 1 Presentation of Financial Statements with references to IFRS 18 Presentation and Disclosure in Financial Statements*

The Committee received a request about how an entity applies the requirements in paragraph 23 of IFRS 8 to disclose for each reportable segment specified amounts related to segment profit or loss.

The request asked:

- a. whether an entity is required to disclose the specified amounts in paragraph 23(a)–(i) of IFRS 8 for each reportable segment if those amounts are not reviewed separately by the chief operating decision maker (CODM);
- b. whether an entity is required to disclose the specified amounts in paragraph 23(f) of IFRS 8 for each reportable segment if the entity presents or discloses those specified amounts applying a requirement in IFRS Accounting Standards other than paragraph 97 of IAS 1 *Presentation of Financial Statements* [now paragraph 42 of IFRS 18]; and
- c. how an entity determines ‘material items’ in paragraph 23(f) of IFRS 8. In particular:
  - i. whether ‘material items’ are only those items that are material on a qualitative basis;
  - ii. whether ‘material items’ include amounts that are an aggregation of individual items that are quantitatively immaterial; and
  - iii. whether the materiality assessment is performed at an income statement level (from an overall reporting entity perspective) or at a segment level.

The Committee observed that there are two main aspects to the questions:

- a. the requirements of paragraph 23 of IFRS 8 to disclose, for each reportable segment, specified amounts included in segment profit or loss reviewed by the CODM; and
- b. the meaning of ‘material items of income and expense’ in the context of paragraph 97 of IAS 1 [now paragraph 42 of IFRS 18] as referenced in paragraph 23(f) of IFRS 8.

### Disclosure of specified amounts

Paragraph 23 of IFRS 8 requires an entity to report a measure of profit or loss for each reportable segment and to disclose specified amounts for each reportable segment. Paragraph 23 sets out specified amounts that an entity is required to disclose for each reportable segment if the specified amounts are included in the measure of segment profit or loss reviewed by the CODM, or are otherwise regularly provided to the CODM, even if not included in that measure of segment profit or loss.

The Committee observed that paragraph 23 of IFRS 8 requires an entity to disclose the specified amounts for each reportable segment when those amounts are:

- included in the measure of segment profit or loss reviewed by the CODM, even if they are not separately provided to or reviewed by the CODM, or
- regularly provided to the CODM, even if they are not included in the measure of segment profit or loss.

## Material items of income and expense

Paragraph 23(f) of IFRS 8 sets out one of the required ‘specified amounts’, namely, ‘material items of income and expense disclosed in accordance with paragraph 42 of IFRS 18’. Paragraph 42 of IFRS 18 states that ‘[a]pplying the principles in paragraph 41, an entity shall disaggregate items whenever the resulting information is material...’.

### *Definition of ‘material’*

Appendix A of IFRS 18 defines ‘material information’ and states ‘information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial reports make on the basis of those financial statements, which provide financial information about a specific reporting entity’.

Paragraph B2 of IFRS 18 also states that ‘materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole’.

### *Aggregation and disaggregation of information*

Paragraphs 41–43 of IFRS 18 provide requirements about how an entity aggregates and disaggregates information in the financial statements, which include the notes. Paragraph 41(d)–(e) of IFRS 18 states that an entity shall ‘aggregate or disaggregate items to disclose information in the notes that fulfils the role of the notes in providing material information’ and ‘ensure that aggregation and disaggregation in the financial statements do not obscure material information...’.

### *Applying paragraph 23(f) of IFRS 8—material items of income and expense*

The Committee observed that when IFRS 18 refers to materiality, it is in the context of ‘information’ being material. An entity applies judgement in considering whether disclosing, or not disclosing, information in the financial statements could reasonably be expected to influence decisions users of financial statements make on the basis of those financial statements.

The Committee observed that, in applying paragraph 23(f) of IFRS 8 by disclosing, for each reportable segment, material items of income and expense disclosed in accordance with paragraph 42 of IFRS 18, an entity:

- a. applies the definition of ‘material information’ in Appendix A and paragraph B2 of IFRS 18 and assesses whether information about an item of income and expense is material in the context of its financial statements taken as a whole;
- b. applies the requirements in paragraphs 41–43 of IFRS 18 in considering how to aggregate and disaggregate information in its financial statements;
- c. considers the nature or magnitude of information—in other words, qualitative or quantitative factors—or both, in assessing whether information about an item of income and expense is material; and
- d. considers circumstances including, but not limited to, those in paragraph B79 of IFRS 18.

The Committee further observed that paragraph 23(f) of IFRS 8 does not require an entity to disclose by reportable segment each item of income and expense presented in its statement of profit or loss or disclosed in the notes. In determining information to disclose for each reportable segment, an entity applies judgement and considers the core principle of IFRS 8—which requires an entity to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

### Conclusion

The Committee concluded that the principles and requirements in IFRS Accounting Standards provide an adequate basis for an entity to apply the disclosure requirements in paragraph 23 of IFRS 8.

Consequently, the Committee decided not to add a standard-setting project to the work plan.

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