IFRS® Accounting

October 2024

Compilation of Agenda Decisions

Volume 11

Published by the IFRS® Interpretations Committee

May 2024–October 2024

Compilation of Agenda Decisions published by the IFRS Interpretations Committee

Volume 11
(May 2024—October 2024)

Copyright © 2024 IFRS Foundation

All rights reserved. Reproduction and use rights are strictly limited. No part of this publication may be translated, reprinted, reproduced or used in any form either in whole or in part or by any electronic, mechanical or other means, now known or hereafter invented, including photocopying and recording, or in any information storage and retrieval system, without prior permission in writing from the IFRS Foundation.

The Foundation has trade marks registered around the world including 'IAS®', 'IASB®', the IASB® logo, 'IFRIC®', 'IFRS®', the IFRS® logo, '*IFRS for SMEs*®', the *IFRS for SMEs*® logo, the 'Hexagon Device', 'International Accounting Standards®', 'International Financial Reporting Standards®', 'NIIF®', 'SIC®', 'ISSB™' and 'SASB®'. Further details of the Foundation's trade marks are available from the Foundation on request.

The IFRS Foundation is a not-for-profit corporation under the General Corporation Law of the State of Delaware, USA and operates in England and Wales as an overseas company (Company number: FC023235) with its principal office in London.

CONTENTS

Introduction

Compilation of Agenda Decisions—Volume 11 compiles all agenda decisions published by the IFRS Interpretations Committee (Committee) in the period May 2024 to October 2024. The Committee publishes an agenda decision to explain why a standard-setting project has not been added to the work plan to address a question submitted. For ease of reference, the agenda decisions are sorted by IFRS Accounting Standard.

How the Committee supports consistent application of IFRS Accounting Standards

The Committee works together with the International Accounting Standards Board (IASB) in supporting the consistent application of IFRS® Accounting Standards. The IASB and the Committee seek to achieve a balance between maintaining the principles-based nature of the Accounting Standards and adding or changing requirements in response to emerging application questions.

The Committee's process

All Committee projects begin as a question regarding the application of an Accounting Standard. The process is designed to:

- allow any stakeholder to submit a question about the application of the Accounting Standards; and
- be open and transparent—application questions are considered at a public meeting.

The Committee then decides whether to recommend standard-setting to address the question, either through a narrow-scope project or by developing an IFRIC Interpretation (see further details below).

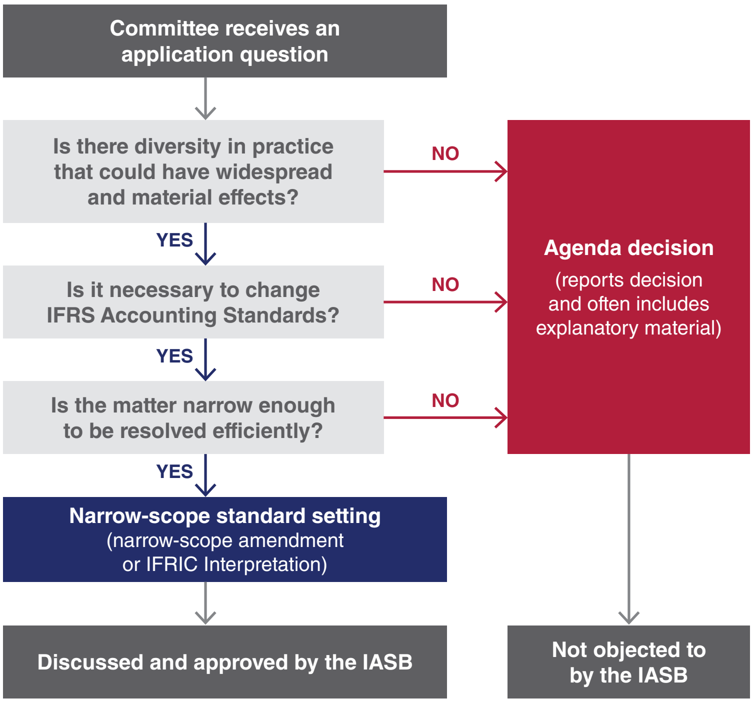
The Committee will decide not to recommend standard-setting if it concludes that standard-setting is:

- unnecessary—typically because, in the Committee's view, the principles and requirements in the Accounting Standards provide an adequate basis for an entity to determine the required accounting or because there is no diversity in practice that could have widespread and material effects;
- unhelpful—for example, introducing new or amended requirements might assist one entity with a particular type of transaction, while raising questions for other entities with slightly different types of transactions; or
- not narrow enough to be resolved efficiently—the question could be resolved only as part of a larger IASB project (not a narrow-scope project).

To explain why it did not recommend standard-setting, the Committee publishes an agenda decision. Agenda decisions are subject to due process. They are first published as tentative agenda decisions which are open for comment generally for 60 days. The Committee considers feedback from stakeholders in finalising the agenda decision. Once finalised, the IASB is asked whether it objects to the agenda decision. If four or more of the 14 IASB members object to the publication, the agenda decision is not published and the IASB decides how to proceed.

© IFRS Foundation

The following diagram summarises the criteria the Committee considers when deciding whether to recommend adding a standard-setting project to the IASB's work plan:



Explanatory material in an agenda decision

An agenda decision typically includes explanatory material when the principles and requirements in the Accounting Standards provide an adequate basis for an entity to determine the required accounting. The objective of including such explanatory material is to improve the consistency of application of the Accounting Standards.

Explanatory material included as part of a tentative agenda decision is open for public comment.

Agenda decisions (including any explanatory material contained within them) do not have effective dates because they cannot add or change requirements in the Accounting Standards. Instead, explanatory material explains how the applicable principles and requirements in the Accounting Standards apply to the transaction or fact pattern described in the agenda decision.

Explanatory material derives its authority from the Accounting Standards themselves. Accordingly, an entity is required to apply the applicable Accounting Standard(s), reflecting the explanatory material in an agenda decision. An entity is expected to have sufficient time to implement that accounting.

Agenda decisions published by the Committee are available on the 'how we help support consistent application of IFRS Accounting Standards' page.

Narrow-scope standard-setting

Some questions result in narrow-scope standard-setting that follows the due process set out in our *Due Process Handbook*. The Committee may decide:

- to develop an IFRIC Interpretation, which adds requirements to the Accounting Standards but does not remove or replace any requirements in the Accounting Standards; or
- to recommend that the IASB develop a narrow-scope amendment to an Accounting Standard.

Narrow-scope standard-setting projects recommended by the Committee and approved by the IASB are added to the work plan as maintenance projects.

 © IFRS Foundation

IFRS 8 *Operating Segments*

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

July 2024

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*; 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 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 97 of IAS 1'. Paragraph 97 of IAS 1 states that 'when items of income or expense are material, an entity shall disclose their nature and amount separately'.

Definition of 'material'

Paragraph 7 of IAS 1 defines 'material' 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 7 of IAS 1 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 of information

Paragraphs 30–31 of IAS 1 provide requirements about how an entity aggregates information in the financial statements, which include the notes. Paragraph 30A of IAS 1 states that 'an entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions'.

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

The Committee observed that when IAS 1 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 97 of IAS 1, an entity:

a. applies paragraph 7 of IAS 1 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 30–31 of IAS 1 in considering how to aggregate information in its financial statements;

 © IFRS Foundation

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 98 of IAS 1.

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.

IFRS Foundation

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel **+44 (0) 20 7246 6410**
Email **customerservices@ifrs.org**

ifrs.org

International Financial Reporting Standards®, IFRS Foundation®,
IFRS®, IAS®, IFRIC®, SIC®, IASB®, ISSB™, SASB®, IFRS for SMEs®