

October 30, 2012

International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
UNITED KINGDOM

Via "Open to Comment" page, www.iasb.org

Request for Information "Post-implementation Review: IFRS 8 Operating Segment", July 2012

Dear Sir or Madam:

The Committee on Corporate Reporting of Financial Executives International Canada (FEI Canada) is responding to the International Accounting Standards Board's request for information "Post-implementation Review: IFRS 8 Operating Segment", dated July 2012. We appreciate the opportunity to provide comments.

FEI Canada is the all-industry professional membership association for senior financial executives. With eleven chapters across Canada and 1,800 members, FEI Canada provides professional development, thought leadership and advocacy services to its members. The association membership, which consists of Chief Financial Officers, Audit Committee Directors and senior executives in the Finance, Controller, Treasury and Taxation functions, represents a significant number of Canada's leading and most influential corporations.

The Committee on Corporate Reporting ("CCR") is one of two national advocacy committees of FEI Canada, CCR is devoted to improving the awareness and educational implications of the issues it addresses, and is focused on continually improving the standards and regulations impacting corporate reporting.

The majority of FEI members have no experience with the previous IASB standard, since IFRS 8 was in place when Canada adopted IFRSs. However, IFRS 8 is essentially the same as SEGMENT DISCLOSURES, Section 1701, which was applied in Canada under pre-changeover GAAP. Therefore, Canadian stakeholders can provide useful input to the IASB on how IFRS 8 is applied in practice in Canada and the benefits and difficulties they have experienced. Please refer to our response in Appendix A.

Thank you for allowing us the opportunity to respond to this proposal.

Yours very truly,



Gordon Heard
Chair
Committee on Corporate Reporting
FEI Canada

Appendix A:

CCR's responses to the questions raised in the Request for Information "Post-implementation Review: IFRS 8 Operating Segment" but rewritten by the Canadian Accounting Standard Board to remove the comparison with the previous standard, as agreed in between the two boards, to help Canadian stakeholders provide valuable input to IASB.

1. What is your current job title?

- See above for a description of the membership of FEI Canada.

2. What is your experience of the effect of identifying and reporting segments using the management perspective? Preparers: Please consider whether the management perspective is efficient for your reporting processes and permits you to communicate effectively with investors.

- Yes, the management perspective approach is both efficient and effective in reporting and communicating segmented information about an entity's operations because management and external reporting are prepared on a consistent basis. We believe this approach is less burdensome for preparers and provides relevant information for users since the basis of preparation for the operating segment note is generally aligned with how performance and operating risks are discussed in management commentary and investor calls.
- Although we consider the segmented information note useful, we believe that users of financial information refer also to segmented information contained in management commentary. This will generally contain the same disclosures provided in the segmented information note together with additional non-IFRS key performance indicators and other information on segment performance.

3. How does the use of non-IFRS measurements affect the reporting of operating segments?

Preparers: It would be helpful if you could provide information on the effect that the use of non-IFRS measurements in segment reporting has on your ability to communicate information about operating risks and performance with investors and other users of your financial statements.

- We consider the use of non-IFRS measurements in segment reporting generally useful in communicating information about operating risks and performance when reconciled to the most comparable IFRS financial measures. However, we note that non-IFRS measurements are used more extensively and more effectively in Canada via the management commentary.
- We note that some entities with rate regulated activities reporting under IFRS in Canada have used the segmented information note to focus on regulated activities and inform users of the impacts of regulation given that there is no specific guidance under IFRS for rate regulated entities. As example, we consider the segmented information note of ATCO Group contained in the Company's December 31, 2011 financial statements particularly useful to users of financial information since the note reports on non-IFRS performance metrics that help users (1) understand the performance of the company's rate regulated activities and (2) compare its performance against rate regulated entities that have deferred the adoption of IFRS to 2012 or beyond, as permitted by the Canadian Accounting Standard Board, as well as entities that utilize U.S. accounting principles for rate regulated activities. (An extract of ATCO's December 31, 2011 financial statements is attached to this letter for ease of reference.)

4. How does the requirement to use internally reported line items affect financial reporting?

Preparers: In responding to this question, please consider if:

- (a) you find that investors understand the reported line items;
 - (b) you get requests from investors for additional specific line items; and
 - (c) you use non-GAAP items and why?
- Yes, we believe that investors understand the reported line items since the operating segment note of Canadian publicly-owned entities are generally aligned with their management commentary.
 - Yes, occasionally, investors request additional information not disclosed in the note e.g. net income per segment when management assesses performance based on EBIT (Earnings before income and taxes).
 - Yes, as stated previously, non-GAAP items are used but not as extensively as in the management commentary because those measures help users of financial information understand how an entity's management measures and assesses performance.

5. How do the disclosures required by IFRS 8 affect you in your role?

Preparers: Please consider whether operating segment disclosures are burdensome when based on information prepared in accordance with your own internal reporting requirements. If any requirements are burdensome, please provide details of those disclosures and explain why they are costly or time consuming to prepare. It would be useful to indicate whether you regularly report any segment information in addition to that required by IFRS 8.

- No, we do not believe that the information provided in the operating segment disclosures is excessively burdensome as a large part of the information requested by the standard is also prepared for the purpose of the management commentary. However, some analysts, investors and preparers view the information presented in the segmented information note as repetitive since the same information is often found in the management commentary of Canadian publicly- owned entities. As mentioned previously, users of financial information refer also to segmented information contained in management commentary.

END OF LETTER