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INSIGHTS

ACCOUNTING & TECHNOLOGY

IFRS 8 operating segments in Cambodia

How CIFRS IFRS 8 identifies operating segments from the chief operating decision maker's reports, applies the 10% thresholds and discloses products, geography and major customers.



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WHEN DOES A CAMBODIAN COMPANY APPLY IFRS 8, AND HOW ARE OPERATING SEGMENTS IDENTIFIED?

IFRS 8 applies to entities whose debt or equity instruments are traded in a public market, or that file or are in the process of filing financial statements with a regulator for a public offering. Operating segments are identified from the internal reports regularly reviewed by the chief operating decision maker to allocate resources and assess performance; reportable segments are those that meet the 10% revenue, profit/loss or assets thresholds, with a 75% external revenue coverage test. In Cambodia, listed companies, banks, insurers and other public-interest entities may be in scope; a private SME outside the scope does not apply IFRS 8.

IN SHORT

- IFRS 8 applies to public-market entities and entities filing with a regulator for a public offering, not to every company.
- Operating segments come from the internal reports reviewed by the chief operating decision maker, not from the chart of accounts.
- Reportable segments meet the 10% revenue, profit/loss or assets thresholds, and the reportable segments must cover at least 75% of external revenue.
- Disclose segment profit/loss, assets, liabilities, products/services, geography and major customers, with reconciliations to the financial statements.
- CIFRS for SMEs does not address segment reporting; an SME that discloses segments describes the basis.

Who applies IFRS 8?

IFRS 8 applies to entities whose debt or equity instruments are traded in a public market, including a domestic or foreign stock exchange or an over-the-counter market, and to entities that file, or are in the process of filing, their financial statements with a securities commission or another regulator for the purpose of issuing any class of instruments in a public market.

A private Cambodian company that does not file with a regulator for a public offering is outside the scope. A listed company, a bank, an insurer or another public-interest entity may be in scope through its securities or its regulatory filing. The scope is about the entity's instruments and filings, not its size.

An entity outside the scope may still disclose segment information voluntarily, but it is not applying IFRS 8. The basis of preparation should say so.

The management approach and the CODM

IFRS 8 uses the management approach: operating segments are components of the entity for which separate financial information is available and whose operating results are regularly reviewed by the chief operating decision maker to allocate resources and assess performance.

The CODM is a function, not necessarily a single person; it may be the board, the CEO, the executive committee or another group.

The segment information should reflect the internal reports used by the CODM, even if those reports use a different measure of profit or a different allocation of costs from the financial statements. The entity reconciles the segment totals to the financial statements.

An operating segment can be a product line, a geography, a customer group or a business unit. The entity does not choose segments to match the financial statements; it starts from the internal reports and then applies the aggregation and reportable-segment tests.

FROM OPERATING SEGMENTS TO REPORTABLE SEGMENTS

Step	Question	Result
1	What does the CODM review?	Operating segments
2	Are segments similar enough to aggregate?	Aggregated operating segments
3	Does a segment meet a 10% threshold?	Reportable segment
4	Do the reportable segments cover 75% of external revenue?	Add more segments if needed
5	Reconcile to the financial statements	Disclosure

The 10% thresholds and the 75% coverage test

A segment is reportable if its reported revenue, including external and inter-segment sales, is 10% or more of the combined revenue of all operating segments; or its reported profit or loss is 10% or more of the greater of the combined profit of all profitable segments and the combined loss of all loss-making segments; or its assets are 10% or more of the combined assets of all operating segments.

If the reportable segments do not cover at least 75% of the entity's external revenue, additional operating segments are identified as reportable until the 75% threshold is met. The entity discloses the segments that are not reportable as a group, with a description.

Segments can be aggregated before the thresholds if they have similar economic characteristics and are similar in products and services, production processes, customers, distribution methods and the regulatory environment. Aggregation is not a way to hide a segment that the CODM

reviews separately.

> **The segment is the manager's view, not the chart of accounts**
>
> Start from the internal reports the CODM uses to run the business. A segment that exists only in the financial statements is not an IFRS 8 operating segment.

What to disclose

For each reportable segment, IFRS 8 requires general information, the measure of profit or loss, the measure of assets and liabilities, and the basis of measurement. The entity discloses revenues from external customers and inter-segment sales, interest revenue and expense, depreciation and amortisation, material non-cash items, the share of associates and joint ventures, and tax expense, if the CODM uses those measures.

The entity also discloses products and services, geographical information, and major customers. A customer that accounts for 10% or more of external revenue is disclosed, with the amount and the segment. The identity of the customer is not required.

The reconciliations to the financial statements are essential: segment revenue to external revenue, segment profit or loss to profit before tax, segment assets to total assets, segment liabilities to total liabilities, and segment amounts to the consolidated amounts. A segment disclosure that does not reconcile is not sufficient.

CIFRS for SMEs

CIFRS for SMEs does not address segment reporting. An SME that chooses to disclose segment information should describe the basis and apply it consistently; it is not applying IFRS 8.

The National Accounting Council's adoption determines the edition in Cambodia. Confirm the edition with the auditor if the entity is in scope or discloses segment information.

Cambodian practice

Cambodian listed companies, banks, insurers and public-interest entities may be in scope. The CODM may be the board or the executive committee, and the internal reports may be monthly management accounts, business-unit packs or a bank's product and branch reports. The

segment disclosure should reflect those reports, not a new segmentation created for the annual report.

The auditor tests the scope, the CODM's reports, the aggregation, the thresholds, the reconciliations and the major-customer disclosure. The audit team should consider whether the segment information is consistent with the rest of the financial statements and the management commentary.

Commercial sensitivity is not a reason to omit a reportable segment. The entity can aggregate similar segments or describe the basis without disclosing customer identities, but it cannot hide a segment that meets the criteria.

- Scope assessment: public market or regulator filing.
- CODM identification and internal report evidence.
- Aggregation criteria and 10%/75% tests.
- Segment measures and reconciliations.
- Major-customer and geographical disclosures.

Key facts

How this article is checked

Figures were verified against the sources listed below in November 2026 and are re-checked each January or when the rule changes. Written by Liv Bonito, Co-founder & Managing Director. General information, not advice on your situation: for that, talk to a partner.

QUESTIONS

Questions people ask

Does a private Cambodian company apply IFRS 8?

Not unless its debt or equity instruments are traded in a public market or it files, or is in the process of filing, with a regulator for a public offering. A private SME outside the scope does not apply IFRS 8, although it may disclose segment information voluntarily.

Who is the chief operating decision maker?

The function that allocates resources and assesses performance. It may be the board, the CEO, the executive committee or another group, not necessarily a single person. The identification should be supported by the internal reports.

Can segments be aggregated?

Yes, if they have similar economic characteristics and are similar in products and services, production processes, customers, distribution methods and the regulatory environment. Aggregation is not a way to avoid disclosing a segment the CODM reviews separately.

What is the major-customer disclosure?

If a single customer accounts for 10% or more of external revenue, the entity discloses the amount and the segment, but not the customer's identity. The disclosure is required even if the customer is a related party.

SOURCES

Where the rules come from

01 IFRS 8 Operating Segments (https://www.ifrs.org/issued-standards/list-of-standards/ifrs-8-operating-segments/) — IFRS Foundation

02 IFRS for SMEs Accounting Standard (https://www.ifrs.org/issued-standards/ifrs-for-smes/) — IFRS Foundation

03 IFRS 18 Presentation and Disclosure in Financial Statements (https://www.ifrs.org/issued-standards/list-of-standards/ifrs-18-presentation-and-disclosure-in-financial-statements/) — IFRS Foundation

04 Cambodian International Financial Reporting Standards (CIFRS) — National Accounting Council / ACAR, Ministry of Economy and Finance