



Accounting for and Disclosure of Intangibles

FASB | IASB Education Meeting

October 11, 2024


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Project Overview



December 2020

Project added to the research agenda.



December 2021

A summary of the 2021 Invitation to Comment (ITC) feedback was presented to the Board.

Clarified that the research project includes:

- Software costs
- Internally developed intangibles
- Research and development (R&D).



June 2022

Board discussed the pre-agenda research.

Provided suggestions on the focus and prioritization.

Added a separate project on software costs.



Q4 2024

ITC expected to be issued.

2021 Agenda Consultation Feedback

The lack of internally generated intangibles in financial statements and footnotes contributes to the difference between the book value and market capitalization of many companies.

Some suggested prioritizing an intangibles project focused on recognition and measurement, while others suggested that the Board consider prioritizing disclosure improvements for intangibles.

There is no overarching framework for accounting for intangible assets.

There is a lack of decision-useful information for investors about internally generated intangibles and R&D.

Current GAAP

Intangible Assets
Acquired in a
Business
Combination

Internally
Generated
Intangible Assets

Asset
Acquisition

R&D

Crypto
Assets

Internal-Use
Software

Industry-
Specific
Guidance

- Extractive Activities
- Entertainment & Media
- Financial Services
- External-Use Software
- Regulated Operations
- Transfers & Servicing

Invitation to Comment

- **Objective:** Solicit broad stakeholder feedback on whether the Board should pursue a project on intangibles.
- The FASB staff would like to understand the following:

Is there a pervasive need to improve GAAP related to the accounting for and disclosure of intangibles?

What intangibles should the FASB consider addressing?

What is a potential solution or solutions that the FASB should consider, and what are the expected benefits and expected costs of the solution(s)?

What information do investors utilize (or would they utilize), and how does that information influence their resource allocation decisions?