Staff paper

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IASB® meeting

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Project	**Intangible Assets**
Topic	**Updated summary of feedback on the project objective, scope and approach**
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Purpose of the paper

1. At its April 2024 meeting, the International Accounting Standards Board (IASB) started its Intangible Assets project. As part of the initial work on the project, the IASB consulted its advisory bodies and other stakeholders to help inform the project plan. Discussions focused on identifying the problem to be solved in the project, the scope of the project and the approach to the work.

2. In October 2024, the IASB discussed a summary of initial feedback. The purpose of this paper is to present to the IASB an updated summary of the feedback that reflects additional outreach performed by IASB members and staff since that initial summary. This paper does not include a staff analysis of this feedback.

Structure of the paper

3. This paper is structured as follows:

   (a) background;

   (b) summary of feedback on:

(i) the overall problem;

(ii) the project scope and priority topics; and

(iii) project approach;

(c) question for the IASB;

(d) Appendix A—Possible project topics; and

(e) Appendix B—Possible project approaches.

Background

4. In the initial research phase of the project, IASB members and staff participated in 12 meetings with stakeholders representing various regions and stakeholder types. Our pre-October 2024 initial outreach focused on consulting the IFRS Interpretations Committee and the IASB's main advisory bodies, including:

(a) the Global Preparers Forum;

(b) the Capital Markets Advisory Committee;[1] and

(c) the Accounting Standards Advisory Forum.

5. The project was also discussed with:

(a) two national standard-setters' user advisory groups from North America and Asia-Oceania;

(b) three groups of users of financial statements (users), two representing users from Asia-Oceania and one global organisation representing users;

(c) a group of global valuation specialists;

(d) a group of preparers from Asia-Oceania;

[1] The project was discussed at the Joint CMAC–GPF meeting in June 2024. Breakout groups of GPF members and breakout groups of CMAC members separately provided feedback prior to a joint discussion of that feedback.

(e) the International Forum of Accounting Standard Setters (IFASS) (including the polling of participants on the project objective, scope and approach);[2] and

(f) an international group of regulators.

6. Since October 2024, we focused on consulting the preparer community and participated in 15 meetings with preparer groups at which more than 60 preparers spoke. The meetings covered a wide range of sectors from various regions (Africa, Asia-Oceania, Europe, Latin America and North America) including intangibles-heavy sectors such as media and entertainment, pharmaceuticals, software and retail. Some of the meetings were organised by national standard-setters and included representatives from local accountancy firms and professional bodies.

7. The project was also discussed with:

(a) the Emerging Economies Group;

(b) two groups of users from Europe and North America;

(c) a group of accountancy firms' technical partners;

(d) representatives from a group of European regulators;

(e) representatives from an international auditing standard-setter; and

(f) participants (mainly preparers and accountancy firms) at a workshop organised by an accountancy professional body in the UK with the UK Endorsement Board.

8. In this paper, we summarise the feedback from all outreach since the commencement of the project (that is, including both pre- and post-October 2024 IASB meeting outreach). At the end of each section of the paper, we highlight how this feedback has changed from that discussed in the October 2024 IASB meeting.

[2] See Appendix C of Agenda Paper 17 of the October 2024 IASB meeting for the polling results.

9. This paper includes feedback from several meetings with users as described in paragraphs 4–7. Feedback from follow-ups with users who responded to the user survey is summarised in Agenda Paper 17C of this meeting.

Summary of feedback

The overall problem

10. We asked stakeholders an open question about the overall problem that, in their view, the IASB should aim to solve in the project.

11. Not all stakeholders expressed an explicit view about the overall problem the IASB should aim to solve. Also, sometimes stakeholders talked about their specific concerns, and it was unclear whether they were commenting on the overall problem to be solved or raising a potential topic that they think should be prioritised in the project. For example, a group of users and many preparers expressed concerns about specific application issues (such as inconsistencies in practice relating to capitalising software development costs and concerns around accounting for cloud computing, including software as a service (SaaS), arrangements). Those concerns could either suggest prioritising those specific application issues in the project; or could demonstrate a broad acceptance of the principles of IAS 38 *Intangible Assets* caveated by a concern about the adequacy or robustness of the requirements in IAS 38 in applying those principles.

Main themes

12. Stakeholder feedback on ‘the problem’ demonstrates that there is not a single overall problem or a single overarching description of the specific problems stakeholders ask the IASB to solve. However, we have identified some common themes, with the two main themes being that:

    (a) IAS 38 is out of date and in need of modernisation and futureproofing—for example, its requirements do not work well for new types of assets not envisaged when it was developed (such as cryptocurrencies and carbon credits) and new ways of operating (such as cloud computing, new ways of conducting research and development activities or agile approaches to developing software); and

(b) financial statements are not providing users with enough information about intangible assets or expenditure on intangible items—for example, users need more information about how intangible assets (including unrecognised intangible assets) create value and more disaggregation of expenses to help identify costs expected to generate future benefits.

13. Overall, stakeholders expressed mixed views about the extent to which there are significant problems with the requirements in IAS 38—some stakeholders said that IAS 38 needs fundamental changes to the principles in the Accounting Standard, whereas others said that it does not. For example, many preparers said that they were reluctant to see fundamental changes to IAS 38—these preparers said that, although IAS 38 is not perfect, they are able to communicate the effects of expenditure on intangible items to their users without recognising more assets in the balance sheet (see paragraph 32(a)).

Other themes

14. The difference between the accounting requirements for internally generated and acquired intangible assets, and the resulting effect on comparability, was also commonly mentioned as a problem. However, stakeholders expressed mixed views about whether the project should aim to solve this problem and about potential solutions. For example, one user said internally generated and acquired intangible assets should be treated in the same way, whereas another user said it would not be feasible to do so because of difficulties with measuring internally generated intangible assets. Also, a few national standard-setters and preparers said that the transactions to internally generate intangible assets and transactions to acquire intangible assets are economically different and therefore should be accounted for differently.

15. Related to the point made in paragraph 14, some stakeholders said the overall problem is the general lack of recognition of intangible assets, such as brands, research and development costs and cloud computing arrangements. For example, a group of preparers from Latin America said the current accounting does not reflect the economic reality of some transactions because expenditure that management views as investing is immediately recognised as an expense in the income statement. A few preparers also said the inability to recognise more internally generated intangible assets (such as brands) on the balance sheet creates real world problems for entities. For example, we heard from one preparer with net liabilities on their balance sheet about difficulties in obtaining financing and meeting regulations on the sufficiency of distributable reserves for paying dividends, because the majority of their value was derived from brands that they had internally generated that is not recognised as an intangible asset. However, some other preparers emphasised the difficulties that would arise from estimating the value of additionally recognised intangible assets and related auditing challenges.

16. Some stakeholders who commented on the overall problem commented on the gap between an entity's market capitalisation and the book value of its net assets. Stakeholders' views on whether this gap is a problem were split:

    (a) many of these stakeholders said the gap was a problem for the IASB to tackle in the project. For example, one user said the current accounting requirements are failing users badly because the market value of entities is well above the carrying amount of their net assets and the gap grows larger every day. This makes it difficult for users to compare entities that have grown differently and to determine an entity's competitive advantage and drivers of an entity's value.

    (b) many other stakeholders (including some users but mostly preparers) said the project should *not* aim to reduce that gap. For example, they said financial statements are not designed to show the value of an entity, as explained in the *Conceptual Framework for Financial Reporting* (*Conceptual Framework*)[3]—

[3] Paragraph 1.7 of the *Conceptual Framework for Financial Reporting*.

the project should instead aim to provide better information to help users to understand the gap.

17. A few stakeholders said the problem is that IAS 38 is a residual standard—it applies to intangible assets that are not within the scope of another IFRS Accounting Standard—and therefore it captures some assets for which its requirements are not well-suited, for example, intangible assets used for investment or trading such as cryptocurrencies and carbon credits.

18. A few preparers were also concerned about challenges to multinationals and reduced comparability of financial statements caused by the differences in IFRS Accounting Standards and US GAAP requirements on intangible assets. They suggested the IASB should consider aligning these requirements where practicable.

Changes from the October summary of feedback

19. The feedback on the overall problem did not change significantly since the October 2024 IASB meeting. Regarding the two main themes:

    (a) there was an increased focus from preparers, accountancy firms, regulators and auditing standard-setters on the need for modernisation and futureproofing of IAS 38 (with many preparers highlighting the challenges of applying IAS 38 to new ways of developing software or cloud computing (including SaaS) arrangements). These stakeholders were often of the view that IAS 38 is not inherently broken.

    (b) there was less emphasis on financial statements not providing users with enough information about intangible assets, although this still featured significantly and was a view expressed primarily by users (see also Agenda Paper 17C).

20. On the other themes, since the October 2024 IASB meeting:

    (a) preparers and accountancy firms expressed less interest in addressing the lack of comparability between entities that have grown organically versus those that have grown through acquisitions because of challenges related to identification and measurement of internally generated intangible assets. However, a few preparers did suggest that the IASB consider how to address this lack of comparability.

(b) some preparers, especially in the pharmaceutical, media and entertainment sectors, expressed concerns about reduced comparability between financial statements prepared using IFRS Accounting Standards and financial statements prepared using US GAAP.

Project scope and priority topics

21. We provided stakeholders with an initial list of topics that the IASB could explore in the project (see Appendix A), based on feedback on the Third Agenda Consultation and other research. The topics were grouped into five categories:

(a) scope of the project and IAS 38;

(b) definition;

(c) recognition;

(d) measurement; and

(e) presentation and disclosure.

22. We asked stakeholders:

(a) which topics were the highest priority;

(b) whether any topics were missing from the initial list; and

(c) whether any topics should be excluded from the project's scope.

23. On the scope of the project and IAS 38, feedback demonstrates that:

(a) only a few stakeholders expressed an appetite for **expanding the scope of IAS 38 beyond requirements relating to financial statement elements**—

assets and expenses—to encompass intangible items more broadly. However, IFASS participants more commonly rated this topic as high priority.

(b) most stakeholders did not express support for the IASB **reconsidering the scope exclusions** from IAS 38. For example, some stakeholders said accounting for goodwill should not be considered in the project. On the other hand, a few preparers from Europe and Asia-Oceania said that accounting for goodwill should be considered in the project—these preparers said that goodwill and the accounting for intangible assets (particularly those acquired in a business combination) are inherently intertwined or were concerned about the requirements for the subsequent measurement of goodwill.

(c) almost all stakeholders wanted the IASB to explore the accounting requirements for **intangible assets held for investing** (such as cryptocurrencies and carbon credits)—indeed, this was one of the most common topics that stakeholders commented on. Preparers expressed particularly strong support for this topic, even though few said that information about these items is material currently. However, there were mixed views on whether this topic should be explored in a separate project—because in some stakeholders' view these assets do not belong in IAS 38—or whether these assets should be the subject of specific requirements in IAS 38—because these assets have different economic characteristics to intangible assets held for use in an entity's operations. Some stakeholders suggested the IASB use a similar approach to that used in IFRS 9 *Financial Instruments*, in which the accounting requirements are based on the entity's business model or purpose for holding an asset. A few stakeholders said that focusing on a principles-based approach would help futureproof the Standard.

24. On other topics, stakeholders most commonly commented on:

(a) specific application issues;

(b) presentation and disclosure topics; and

(c) the recognition criteria in IAS 38.

25. Many stakeholders, particularly preparers and accountancy firms, suggested the IASB explore **specific application issues**. Exploring these application issues may involve consideration of the definition of an intangible asset and related guidance and/or the recognition criteria. For example:

(a) many of these stakeholders suggested the IASB explore issues relating to cloud computing (including SaaS, infrastructure as a service (IaaS) and platform as a service (PaaS) arrangements) and whether, for example, the guidance on control of an intangible asset should be improved. Most of these stakeholders, particularly preparers, expressed a view that the costs incurred to enter a cloud computing arrangement and customising these arrangements to an entity's needs are akin to the costs incurred to set-up an on-site software solution and therefore should be allowed to be recognised as an asset on the balance sheet. A few respondents said that the IFRS Interpretations Committee agenda decisions relating to cloud computing in March 2019 and March 2021 were not helpful for making accounting judgements or led to outcomes not reflecting the economics of the arrangement (see paragraph 34 of Agenda Paper 17E).

(b) some of these stakeholders were concerned about how new ways of developing software affect the recognition of software development costs. At the time IAS 38 was issued, software development was generally split into defined phases. However, many entities now use an agile or iterative method to develop software, leading to questions on when to recognise software development costs as an asset. For example, it may be difficult to keep track of costs related to research, those related to developments and those for maintaining the software after initial implementation.

(c) a few preparers were concerned about the accounting for data resources because they are growing and becoming an important driver of entity value. These preparers said that there is insufficient guidance for accounting for such resources.

(d) a few preparers were concerned about the accounting for artificial intelligence and intangible assets generated by artificial intelligence. They highlighted the need to futureproof IAS 38 when considering application issues for 'new' intangibles.

26. Many stakeholders said that the **presentation and disclosure topics** are a high priority, although this was tempered by reservations from some stakeholders. For example:

(a) almost all users who commented on this topic said they need **disaggregated information about expenses** expected to result in future benefits, and better information about unrecognised intangible assets.

(b) some stakeholders, including national standard-setters, cautioned against focusing on disclosure, because although recognition and measurement will be difficult topics, disclosure should not be a substitute for recognition and measurement. Also, some preparers were concerned about providing more disaggregated expenditure in the financial statements, with difficulties in determining what expenditure is building the business versus maintaining operations cited as a factor. IFASS participants also strongly suggested assigning a low priority to this topic.

27. A few preparers and an auditing standard-setter said that the guidance in IFRS 18 might help entities disaggregate information. An auditing standard-setter suggested that the IASB use the guidance and terminology in IFRS 18 (particularly relating to operating and investing activities) in determining which expenditure relates to an intangible item and which expenditure relates to maintaining the business rather than introducing new principles or definitions (for example, future-oriented expenditure).

28. Many users supported exploring providing **qualitative information about intangible items** that reflects how an entity creates value. However, a few preparers raised concerns about the commercial sensitivity of this information. One group of preparers from the pharmaceutical industry also said a lot of information that users want is already in the public domain. They do not get requests from users wanting more

information on their intangible assets—the information their users want is more about the status and progress of their pipeline projects.

29. In relation to disclosing more information about unrecognised intangible assets, an auditing standard-setter expressed concerns about asserting completeness of this information.

30. Many accountancy firms and a few national standard-setters and preparers said if the IASB did decide to explore improving the information that entities disclose about intangible items, it would be important to have a clear boundary between information provided in financial statements and in other financial reports, to determine the **appropriate location of the information**. Some stakeholders also asked the IASB to consider the intersection of this project with its project on Management Commentary and with the International Sustainability Standards Board's work.

31. One accountancy firm said there is a real opportunity to demonstrate interconnectivity with the International Sustainability Standards Board, demonstrate the boundary where financial reporting stops and sustainability reporting takes over—in their view this would help neutralise arguments for recognition of new assets. One preparer also said it is important to provide a clear link between financial reporting and sustainability reporting because it will be challenging to explain to users the difference between key intangible resources in sustainability reports and the information in the financial statements.

32. Many stakeholders, including many preparers, commented on the **recognition criteria in IAS 38** (including the **prohibitions on recognition of many internally generated intangible assets**). Stakeholders expressed mixed views about whether the recognition criteria should be reviewed, and if so, how it should affect the recognition of acquired and internally generated intangible assets. For example:

(a) on the recognition of internally generated intangible assets:

(i) many preparers (for example in the software, pharmaceutical and media and entertainment industries) said there is no need to review the recognition criteria to recognise more internally generated intangible assets. These preparers said that, although IAS 38 is not perfect, they were able to communicate additional useful information about internally generated intangible items through non-IFRS key performance indicators (KPIs), management commentary and other investor communications, as well as through the income statement and the statement of cash flows. For example, one preparer said they get no questions from investors about intangible assets on their balance sheet and information on internally generated intangible assets is provided by the income statement.[4] A few preparers were also concerned about the effect of recognition on the entity's profit or loss.

(ii) many national standard-setters suggested the IASB revisit the recognition criteria in IAS 38, especially for emerging intangibles. Some preparers also suggested the IASB explore the relaxation of recognition criteria for at least some assets, for example, those that are easily measurable, such as some costs to develop a customer base or a brand, research and development costs, or costs relating to cloud computing arrangements. A few preparers highlighted some of the consequences of not recognising some intangible assets, such as difficulties obtaining financing and paying dividends (see paragraph 15). One of these preparers said recognition could be linked to having a defined project with a return on investment.

(b) users expressed mixed views on whether to relax the recognition criteria. Some users were of the view that having more assets on the balance sheet would result in more useful information (for example, it provides an anchor and helps to hold management accountable). Others said they disregard intangible assets recognised on the balance sheet and are more interested in information about the flow of economic benefits (and hence focus on the

[4] One user said when analysing software development and the pharmaceutical industry that they look at the income statement to understand if the expenditure is consistent with the entity's strategy and how it compares to peers.

income statement and statement of cash flows) and how the entity will create value.

(c) some national standard-setters, some users and a few preparers supported the IASB reviewing the difference between the accounting requirements for **internally generated intangible assets and for acquired intangible assets**, and the resulting effect on comparability, although there were mixed views as explained in paragraph 14.

(d) some regulators and a few national standard-setters, preparers, and users supported the IASB reviewing the recognition criteria in IFRS 3 *Business Combinations* for **intangible assets acquired in a business combination**, with stakeholders expressing concerns about inconsistent application of the criteria and too many (or not enough) intangible assets recognised separately from goodwill.

33. Other topics that received a reasonable amount of support included:

(a) the **definition of intangible assets**, including alignment with the *Conceptual Framework*. Some preparers said that better guidance on the definition—for example, on determining the nature of the underlying items and on control or distinguishing between an intangible asset and a service—could help resolve some of the application issues (see paragraph 25).

(b) **measurement** issues, particularly guidance on the determination of amortisation methods and useful lives, when capitalisation of costs should stop, impairment testing of intangible assets, and the revaluation model (including whether to keep the reference to an active market but also whether to make revaluation easier). However, most preparers and some users who commented on fair valuing more intangible assets did not support including this as a topic, citing concerns about subjectivity, cost and income statement volatility.

34. Overall, most topics on the initial list in Appendix A are a priority for at least some stakeholders, with the exception of reassessing labels and terminology. Stakeholder

feedback demonstrated that the list of topics is generally complete. Some stakeholders suggested a few additional topics, the most common of which was accounting for contingent or variable consideration on purchase of an intangible asset.

Changes from the October summary of feedback

35. The feedback on scope and topics did not change significantly since the October 2024 IASB meeting.

36. Regarding scope, there were more calls from preparers that the IASB should reconsider the accounting for goodwill, particularly its subsequent measurement. These preparers said that goodwill is often a large balance on the balance sheet that requires a costly impairment test to be performed annually or when there is an indicator of impairment.

37. On other topics:

(a) support for specific application issues and presentation and disclosure topics remained strong.

(b) driven by preparer comments, views were more mixed on reconsidering the recognition criteria in IAS 38, including the prohibitions on recognition and the difference between the recognition requirements for acquired versus internally generated intangible assets.

(c) a few preparers were more concerned about measurement issues, such as amortisation and the revaluation model, compared to other stakeholder groups. This was also a focus for some regulators, particularly the determination of useful life and amortisation methods.

Project approach

38. Stakeholders generally agreed with the view that a comprehensive review of IAS 38 will be a large and complex project for the IASB and its stakeholders.

39. We developed three possible project approaches (outlined in Appendix B) to facilitate discussion and obtain feedback on how to stage the work in the project:

    (a) All-in-one approach;

    (b) Early Evaluation approach; and

    (c) Phased approach.

40. Many stakeholders who commented on the All-in-one approach did not agree with it. These stakeholders said that the project would take too long to complete using this approach and it would be very challenging. However, some stakeholders agreed with the approach, including some users, some national standard-setters (including around a third of IFASS participants who voted in the poll about the approach), an auditing standard-setter and a few preparers. Their reasons included that the approach would enable the IASB to consider the links among related topics, ensure all important issues are covered, futureproof any new or amended requirements for future changes in the business environment and technology and lead to less disruption for preparers as changes will be issued at the same time.

41. Most stakeholders, including almost all national standard-setters, many preparers, and some users, agreed with the Early Evaluation approach, the Phased approach, or a combination of the two. This feedback indicated stakeholders' desire for timely improvements. These stakeholders said, for example:

    (a) the Early Evaluation approach is more pragmatic than the other approaches and would enable the IASB to make progress in a timely manner and discuss pressing issues first. Some stakeholders suggested that the IASB could start with discussing practical application issues (such as issues relating to cloud computing) and then move on to a wider review of the requirements in IAS 38 using the learnings from discussing those application issues.

    (b) the Phased approach would enable the project to be conducted in manageable chunks. For example, the IASB could phase the project based on the type of requirement (such as presentation and disclosure, definition, recognition, measurement)—similar to that used when developing IFRS 9—or by type and use of intangible asset. A few preparers and many accountancy firms said the IASB should look at specific application issues first.

(c) the Early Evaluation approach could be combined with the Phased approach. For example, the IASB could use the Early Evaluation approach to identify pressing issues to discuss first, before a systematic review of other requirements using the Phased approach, or it could use the Early Evaluation approach to determine how best to phase the project.

Changes from the October summary of feedback

42. This feedback was broadly in line with the feedback discussed at the October 2024 IASB meeting, although:

(a) a few preparers noted that the All-in-one approach may be less disruptive; and

(b) a few preparers and many accountancy firms said the IASB should start the project by looking at specific application issues.

Question for the IASB

Question for the IASB
Does the IASB have any comments or questions on the feedback, as summarised in this paper?

Appendix A—Possible project topics

A1. Table 1 sets out the initial list of topics that the IASB could explore in the project, which we developed based on feedback in the Third Agenda Consultation and other research. This initial list was provided to stakeholders when asking for feedback on the scope of the project and priority topics (see paragraphs 21–22).

Table 1—Possible project topics

Scope	
1	IAS 38 sets out requirements for intangible <u>assets</u> and for <u>expenses</u> from expenditure on intangible items. Should the IASB consider only financial statement elements—assets and expenses—or should it consider intangible items more broadly?
2	IAS 38 excludes some types of intangible assets, such as those within the scope of another IFRS Accounting Standard. Should the IASB reconsider those scope exclusions? Should any of those excluded items be considered in the project?
3	Should intangible assets held for investing (for example, cryptocurrencies and emission rights held for investing) be included in the scope of the project and IAS 38?
Definition	
4	What are the properties of intangible assets?
5	Should the definition of an intangible asset, and the associated guidance, be updated for the revisions to the *Conceptual Framework for Financial Reporting*?
6	Do specific practice issues arising from applying the definition of an intangible asset, and the associated guidance, suggest a need to revise the definition? For example, do issues relating to software as a service arrangements and arrangements linked to digitisation suggest a need to improve IAS 38, particularly to clarify what is the underlying resource that an entity controls?
7	Is there a need to develop more consistent labels and terminology?
Recognition	
8	Are the recognition criteria in IAS 38 still appropriate? More specifically: • Do the properties of intangible assets justify specific recognition criteria for intangible assets? • Should the recognition criteria be updated to reflect new types of intangible items and new ways entities are accessing and using intangible items? • Should the recognition criteria be updated for the revisions to the *Conceptual Framework for Financial Reporting*?

9	Should the prohibitions on recognition in IAS 38 be reconsidered—for example, the prohibitions in paragraph 63 of IAS 38 on recognising intangible assets for internally generated brands, mastheads, publishing titles, customer lists and items similar in substance?
10	Should there be a recognition difference between acquired intangible assets and internally generated intangible assets, and how could, and should, the IASB help comparisons between entities that grow organically and those that grow through acquisition?
11	Should the recognition criteria for intangible assets acquired as part of a business combination be amended?
Measurement	
12	Can the cost of internally generated intangible assets be reliably measured?
13	Can amortisation periods be estimated?
14	Is it necessary for the fair value of intangible assets that are accounted for using the revaluation model to be measured by reference to an active market?
15	Because intangible assets often work together with other assets to generate value, can a fair value be linked to a specific intangible asset?
Presentation and Disclosure	
16	What information about recognised and unrecognised intangible assets do users of financial statements need? Where should the information be disclosed—financial statements or management commentary?
17	Should requirements be developed to disaggregate particular expenses that are associated with unrecognised intangible assets?
18	Should disclosure of qualitative and quantitative information about intangible items that reflects how an entity creates value and generates cash flows be required? Where should the information be disclosed—financial statements or management commentary?

Appendix B—Possible project approaches

B1. Table 2 sets out three possible project approaches that we developed for the purpose of facilitating discussion and seeking feedback from stakeholders (see paragraphs 38–39).

Table 2—Possible project approaches

Project approach	Description	Pros	Cons
1 All-in-one	All topics identified by stakeholders further researched by the IASB to identify underlying problems and, if feasible, potential solutions. All of the IASB's decisions published in a single consultation document (such as a discussion paper or exposure draft) and, once finalised, a new or amended IFRS Accounting Standard is issued. Therefore, although the discussion of topics would be sequenced (so that topics are tackled in a logical order), the consultation documents would be published, and a final IFRS Accounting Standard (or amendment) would be issued, only after all topics have been fully considered.	• All topics further researched – less risk of not identifying an improvement to IFRS Accounting Standards. • Easier to consider the interaction between topics.	• Significant amount of time until improvements to IFRS Accounting Standards implemented. • Resource may be expended on topics that ultimately do not result in improvements to IFRS Accounting Standards.

Project approach	Description	Pros	Cons
2 Early evaluation	Initial outreach used to assign priorities to the topics identified by stakeholders. Only topics that meet a specified threshold explored further in the project. Identifying topics to explore further could be based on urgency, prevalence, likelihood of feasible solution, likelihood of benefits outweighing costs and so on. Topics meeting the threshold would be further researched by the IASB to identify underlying problems and, if feasible, potential solutions. IASB's decisions published in a single consultation document and would relate to those priority topics only, as would any new or amended requirements subsequently issued.	• Improvements made on a timelier basis. • High priority topics dealt with – efficient use of IASB and stakeholder resources. • Other topics could be investigated later if sufficient stakeholder demand.	• Not all stakeholders' concerns further researched. • May not meet stakeholders' expectations of a comprehensive review of the accounting for intangibles. • Time and resources spent on prioritising topics – might be more than expected if consensus is difficult to achieve. • Risk of not pursuing a topic that should be explored because of simplicity of the process – for example, a topic might not be explored on the basis that it is unlikely a feasible solution can be developed, but further research might have identified a feasible solution. • Developing a solution for a topic that is ring-fenced could be complex.

Project approach	Description	Pros	Cons
3 Phased	The project is split into phases (for example, disclosure, recognition and measurement, or by intangible asset type, and so on). Consultation documents would be published and final requirements would be issued for each project phase, covering all topics included in that phase. For example, based on the feedback and research collected to date, the IASB could focus initially on improving the information that entities disclose about (recognised and unrecognised) intangible assets. The IASB would complete phase one before moving on to phase two, and so on.[5]	• Improvements made expediently for some topics. For example, users of financial statements appear to have identified improved disclosure requirements as the most likely way of satisfying their information needs. • All topics eventually explored. • Information from the research on disclosure requirements may inform research on other topics.	• Not all stakeholders may agree that the priority is disclosure (for example). • There may also be more than one high priority topic. • Risk that disclosure requirements (for example) have to be reconsidered when other topics are considered. • Completion of the whole project would take longer than 'All-in-one' approach because of the need for multiple consultation documents. • Some stakeholders may lose interest in the project after the first phase if the first phase deals with their biggest concerns.

[5] Although, with more project resource, phases could be worked on concurrently (similar to the development of IFRS 9 *Financial Instruments*), this has not been specifically considered because the ability to work on topics concurrently is equally applicable to the other approaches—the more resource allocated to the project, the greater the scope there is for working on topics concurrently, whichever approach is followed.