
IASB[®] meeting

Date **June 2025**

Project **Intangible Assets**

Topic **Initial streams of work—project plan**

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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS[®] Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB[®] *Update*.

Purpose of the paper

1. The purpose of this paper is to set out a project plan for exploring the initial streams of work in the Intangible Assets project over the next twelve months.
2. This paper does not ask the International Accounting Standards Board (IASB) to make decisions. However, we welcome IASB members' comments, questions or suggestions.

Structure of the paper

3. This paper is structured as follows:
 - (a) [IASB's discussions to date](#);
 - (b) [Project plan](#);
 - (c) [Question for the IASB](#);
 - (d) [Appendix A—Prioritisation of topics in the Intangible Assets project](#); and
 - (e) [Appendix B—Indicative timeline for the initial streams of work](#).

IASB's discussions to date

4. After its Third Agenda Consultation in 2022, the IASB added to its research pipeline a project on intangible assets that would comprehensively review the requirements in IAS 38 *Intangible Assets*. The IASB moved the project to its research work plan at its [April 2024 meeting](#).
5. During the initial stage of the project (between April 2024 and May 2025), the IASB gathered stakeholder feedback and other evidence on the problem to solve, the scope of the project and the IASB's approach to the work.
6. In May 2025, the IASB considered this feedback and evidence in determining the objectives and direction of the project. The IASB decided the objectives of the project are:
 - (a) to improve the usefulness of information entities provide about intangible items in their financial statements; and
 - (b) to update IAS 38, in particular to make it more suitable for newer types of intangible items and new ways of using them.
7. The IASB also [made decisions](#) on the topics to explore and their prioritisation and sequencing (see Appendix A for a visual representation of the prioritisation of topics). The IASB decided to begin work on the project by exploring two initial streams in parallel, namely:
 - (a) assessing user needs for information about recognised and unrecognised intangible assets and expenditure associated with them in the financial statements; and
 - (b) considering whether to update the definition of an intangible asset, associated guidance and some aspects of the recognition criteria, by initially using, as test cases, application issues related to newer types of intangible assets and new ways of using them; and then considering the effects of any potential amendments on the broader population of intangible assets.

Project plan

8. This section discusses a high-level project plan for the next twelve months for our initial streams of work. We have limited our planning to this time period because any subsequent work will depend on our findings from the work set out in the sections below.
9. In developing this project plan, we considered:
 - (a) the team's existing resources and ability to progress the two initial streams of work in parallel; and
 - (b) the timing of consultative group meetings, to allow the IASB to consider their input before making decisions (see Appendix B).
10. We have included some rough timings of when we think we will discuss the progress on the initial streams of work with the IASB (see Appendix B). However, we will consider further the appropriate times to report progress, obtain the IASB's views on the direction of the work and make decisions, as we consider the findings from the work.
11. In exploring the initial streams of work, we will be building on the extensive work and evidence gathered to date. Where appropriate, we will use it to inform the work we perform.

Assessment of user information needs

12. Between April 2024 and May 2025, the IASB gathered a considerable amount of user feedback and other evidence on user information needs. This feedback and evidence indicate that users have a variety of views. As discussed in paragraphs 43–45 of the May 2025 [Agenda Paper 17B](#), there are differences in:
 - (a) user views on what information about intangible assets is missing from the financial statements;
 - (b) adjustments users make to the financial statements; and

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- (c) user views on some aspects of the accounting for intangible assets and associated expenditure.
13. This stream of work aims to explore users' information needs further. In particular, we aim to understand:
- (a) what information about intangible assets and associated expenditure users think is important, why they think this information is important (that is, what is the information used for) and where they get this information today; and
 - (b) why users adjust information about intangible assets and associated expenditure in the financial statements and what they find unhelpful about the information currently provided in the financial statements.
14. The variety of views users provided in our initial work (see paragraph 12) might be because users are analysing entities in different sectors and with different types of intangible assets, so we plan to better understand whether users' information needs in paragraph 13 depend on the sector or type of intangible asset being considered.
15. We realise that the success of this stream will depend on our strategy for engaging with users and on developing appropriate outreach materials. With this in mind, during Q3 2025 we will work with the stakeholder engagement team to develop an engagement strategy and materials that will allow us to use consultation opportunities effectively. In doing so, we will:
- (a) seek to avoid using technical language or referring to specific accounting requirements. Instead, we will focus on users' information needs regardless of how intangible assets are accounted for and consider whether these information needs are related to specific types of intangible assets and associated expenditure, as well as the entity's purpose for holding an asset.

- (b) build on the evidence collected to date—for example, on our review of user adjustments (see [May 2025 Agenda Paper 17B](#)) and on the information gathered in the survey and subsequent follow-up interviews with users. We will also consider feedback from preparers and conduct desktop research to understand what information entities report about their intangible assets and associated expenditure in annual reports now—including non-GAAP metrics and how management communicates an entity’s financial performance (and position) to users. We will focus this research on different sectors and types of intangible assets. This will allow us to develop outreach materials and form hypotheses to test in our outreach with users.
 - (c) consider the best ways to engage with users, which could include a mix of one-to-one interviews, sector-specific (or intangible asset type) roundtables, surveys and case studies. We also plan to discuss user information needs with the IASB’s consultative groups, including the Capital Markets Advisory Committee (CMAC), Accounting Standards Advisory Forum (ASAF) and Emerging Economies Group (EEG).
16. In Q1 2026, we plan to update the IASB on our findings of this initial work. This will include our initial analysis of the themes of information needs and whether that information belongs in the financial statements.
17. We then plan to obtain input from the joint meeting of CMAC and the Global Preparers Forum (GPF) in Q2 2026. This should help provide further insight into users’ information needs and whether entities can provide that information.

Exploring possible updates to the definition of an intangible asset, related guidance and some recognition requirements based on test cases

Selection of test cases and identification of underlying causes

18. In H2 2025, we plan to begin work on this group of topics by selecting test cases from application issues identified by stakeholders.
19. Most commonly stakeholders raised application issues related to cloud computing and agile software development. Based on our initial research, we think that those application issues would be good test cases to start the project with because the underlying causes are likely to be relevant for a wide range of newer types of intangible assets and new ways of developing and using intangible assets.
20. We also heard some concerns about accounting for data resources (particularly from stakeholders from Asia-Oceania) and artificial intelligence-related data and solutions (AI). A few stakeholders said that data resources and AI are becoming an important driver of entity value, that IAS 38 provides insufficient or unsuitable guidance for accounting for them and that addressing related application issues could futureproof IAS 38. We think it would be helpful to perform additional exploratory work—including speaking to those stakeholders who raised accounting for data resources and AI as an issue—to understand stakeholders' concerns, determine how widespread they are, assess how significant the effects on financial reporting are and determine whether application issues related to data resources and AI would be useful test cases to use in this initial stream of work.
21. We will also keep an open mind about using additional test cases (for example, we might identify potential test cases when reviewing responses to the FASB's [Invitation to Comment Recognition of Intangibles](#)).

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22. Once we have selected our test cases, we plan to use a combination of desktop research and outreach to identify the underlying causes of application issues. Desktop research will include a review of:
- (a) relevant IFRS Interpretations Committee agenda decisions;
 - (b) the FASB's work related to intangible assets to date;
 - (c) accountancy firms' guidance related to our test cases; and
 - (d) affected entities' financial statements.
23. For outreach, we plan to speak to those preparers and accountancy firms who raised the test cases as application issues during our initial outreach to better understand common fact patterns and concerns with current accounting. We also plan to discuss the underlying causes with ASAF, GPF and EEG in Q4 2025 (see Appendix B).
24. Once we have identified the underlying causes of application issues, we plan to return to the IASB with an update in early Q1 2026. This would include a discussion of which aspects of the requirements in IAS 38 the next stage of the work will focus on when considering potential solutions.

Consider possible solutions

25. Starting in H1 2026, we plan to build on the work performed in paragraphs 18–24 to develop potential solutions for identified underlying causes of application issues. In doing so, we will aim to develop principle-based solutions rather than solve application issues based on specific fact patterns—the application issues will be used to highlight improvements that can be made to the principles in IAS 38. In developing potential solutions, we will use concepts in the *Conceptual Framework for Financial Reporting (Conceptual Framework)* as a starting point. While the accounting concepts underlying our test cases that will need to be explored further still are to be determined, based on our initial research we anticipate that we will need to consider:

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- (a) the definition of an intangible asset and related guidance, including the nature of the underlying resource, the concept of control and the unit of account—this could include considering how an intangible asset differs from a lease contract, a service contract or a prepayment; and
 - (b) some aspects of the recognition criteria, such as the timing of recognition of development costs and whether the wording of the recognition criteria needs to be updated to reflect how software is developed today.
26. To ensure any updated principles work for a broader population of intangible assets and to avoid unintended consequences, when we explore the underlying causes of application issues and develop potential solutions, we plan to consider not only the selected test cases but also more ‘traditional’ intangible assets. We will choose the appropriate ‘traditional’ intangible assets to help develop and test potential solutions based on the nature of the identified underlying causes and the principles that are being considered for improvement. For example, the IASB could develop and test potential solutions for application issues related to cloud computing using a broadcasting right or an acquisition of a software licence.
27. Developing and testing potential solutions will involve a combination of desktop research and engagement with preparers, users and other stakeholders (for example, by using case studies). We also plan to consult on potential solutions with ASAF and the IFRS Interpretations Committee in Q2 2026 (see Appendix B) and CMAC and GPF in Q4 2026. This consultation would include exploring whether there might be unintended consequences of the potential solutions on the broader population of intangible assets. We plan to have an initial discussion of potential solutions with the IASB in Q2 2026, prior to consulting with these groups.

Reflection points

28. After completing the work on the assessment of user information needs and exploring possible updates to the definition and related guidance, the IASB can:

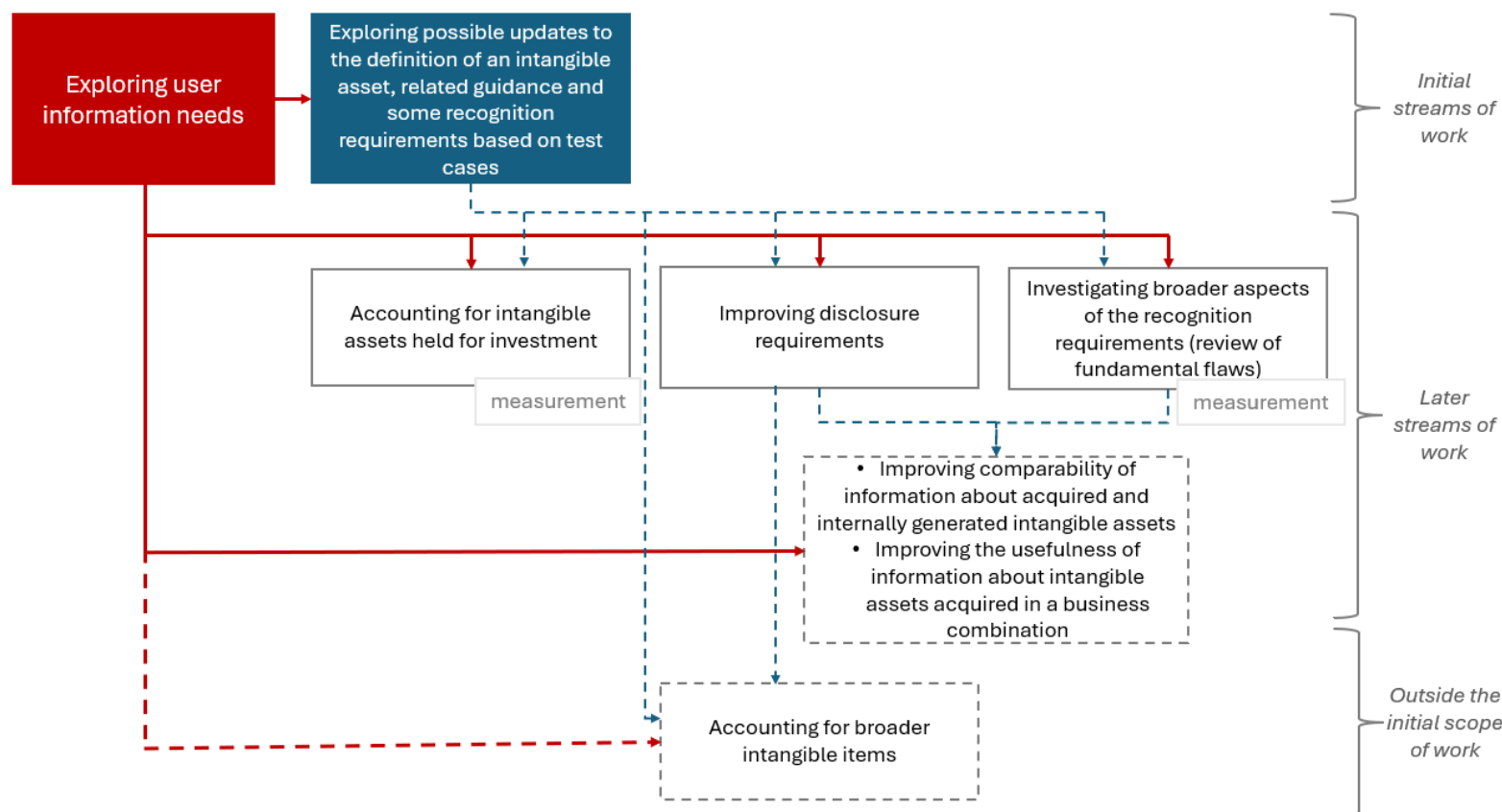
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- (a) assess whether there is an opportunity to make discrete meaningful improvements to IAS 38 or whether further work is needed before the IASB would consult on any changes to the Standard; and
- (b) assess how its findings may affect other groups of topics and their prioritisation.
29. The IASB would also need to consider other information that may become available, for example, considering the progress of, and decisions made in, the Fourth Agenda Consultation, and how this affects other groups of topics and their prioritisation.

Question for the IASB

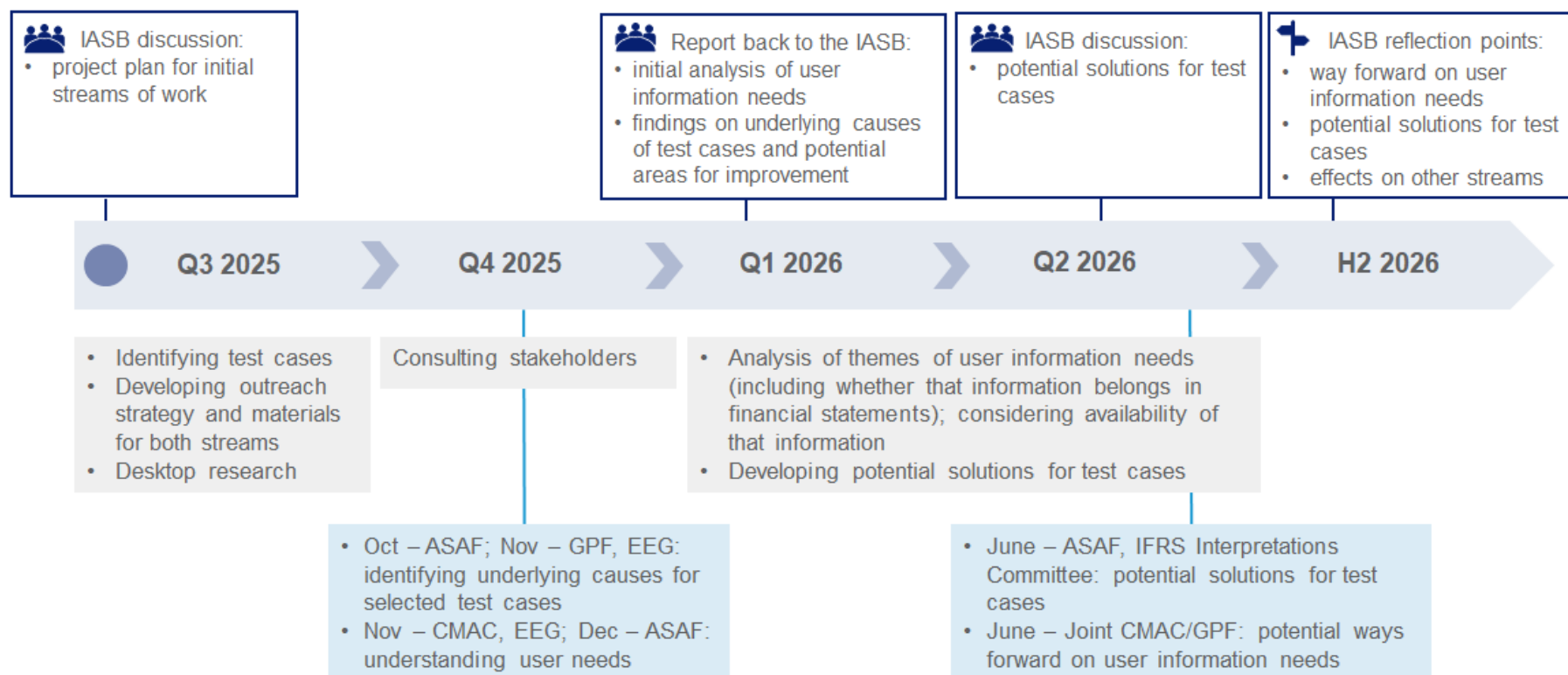
Question for the IASB

Does the IASB have any comments or questions on the project plan?

Appendix A—Prioritisation of topics in the Intangible Assets project



Appendix B—Indicative timeline for the initial streams of work*



*The timings of IASB discussions and consultative group consultations may change depending on initial findings