



# Accounting for and Disclosure of Intangibles

## FASB | IASB Education Meeting

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# Project Timeline – Overview

## 2020

**December** — The FASB Chair expanded the research project on intangibles to include recognition.

## 2021

**December** — A summary of the 2021 Invitation to Comment, *Agenda Consultation* (2021 ITC), feedback was presented to the Board.

The FASB Chair clarified that the research project includes:

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

## 2022

**June** — The Board discussed the pre-agenda research.

Board members provided suggestions on the focus and prioritization for continued research efforts.

The Board added a separate project to the technical agenda on software costs.

## 2024

**December** — The FASB staff issued an ITC, *Recognition of Intangibles* (2024 ITC), soliciting broad stakeholder feedback on whether the Board should pursue a project on the recognition of intangibles.

The 2024 ITC sought general feedback as well as feedback on specific areas within intangibles.

## 2025

**May** — The Board received 43 comment letters from stakeholders in response to the 2024 ITC.

# 2024 ITC

- **Objective:** Solicit broad stakeholder feedback on whether the Board should pursue a project on intangibles ([link to ITC](#)).
- The FASB staff sought to understand the following:

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

What intangibles, or groups of intangibles, should the FASB consider addressing?

What potential solution(s) should the FASB consider, and what are the expected benefits and expected costs of the solution(s)?

Should the accounting for intangibles be different depending on how the intangible is obtained?

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

# Key Takeaways



**Minimal Support for Broad Reconsideration of Intangibles Guidance**

**Minimal Support for a Project on the Recognition of Internally Developed Intangibles**

**Mixed Views on Alignment of Acquired Intangibles Recognition Guidance**

**Some Support for Enhanced Disclosure Requirements**

# R&D Feedback

## Definition of R&D

- Majority of respondents **support** the current R&D definition

## Accounting for R&D

- **Mixed views** on the accounting for development costs

## Operability & Auditability

- **No major issues** applying current guidance

# Recognition of Internally Developed Intangibles

Should the Board consider recognizing other internally developed assets;  
if so, how?

- **Minimal support** for a project on the recognition of internally developed intangibles

## Leverage Software Recognition Criteria

- **Minimal support** for leveraging software recognition criteria to recognize internally developed intangibles

## Leverage Acquired Intangibles Recognition Criteria

- **No support** for leveraging asset acquisition recognition guidance for internally developed intangibles
- **Some support** for leveraging the **separability criterion** or the **contractual-legal criterion** to recognize internally developed intangibles

# Alignment of Recognition Guidance for Acquired & Internally Developed Intangibles

## Align All Intangibles

- **Minimal** support received

## Align Acquired Intangibles Only

- **Most supported** alignment
- **Diverse views** on whether to use *business combination* criteria or *asset acquisition* criteria

## Align Acquired IPR&D

- **Some support** received
- Currently **treated differently** depending on *acquisition type*

# Presentation and Disclosure

**Some support for enhancing  
current disclosure requirements**

## **Recommended approaches to enhancing disclosure requirements for intangibles and R&D costs:**

- Disclosure first approach
- Leverage recommendations from EFRAG and CFA Institute

# Investor Feedback

## Feedback on Current GAAP

Retain current recognition and measurement guidance for internally developed intangibles and R&D

Enhance disclosure requirements to disaggregate information about all intangibles and R&D

# Other Feedback

## Suggested Targeted Improvements

**Acquired IPR&D**  
• **Unit of Account**  
• **Useful Life**

**Intangible Assets  
Acquired in a Business  
Combination**

**Other Areas of  
Diversity in Practice**

# Thank You