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## FASB | IASB Education Meeting

Date           **3 October 2025**

Project       **Intangible Assets**

Topic         **IASB Update**

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## Initial research on the project

### Areas of focus

- Project started April 2024
- Initial research sought evidence on:
  - the **problem** the project should seek to resolve
  - the **topics** to explore
  - **how best to stage work** to deliver timely improvements



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## Key messages from initial research (1/2)<sup>1</sup>

### **No single overall problem**

- Main themes:
  - IAS 38 *Intangible Assets* is out of date and requires modernisation
  - financial statements are not providing their users with enough information about intangible items
- Mixed views on whether the IASB should address:
  - lack of comparability between entities growing organically and through acquisitions
  - the gap between an entity's market capitalisation and the book value of its net assets
- Mixed views on whether fundamental changes to the principles in IAS 38 are needed

### **Call for timely improvements**

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<sup>1</sup> For more details on stakeholder feedback see March 2025 [Agenda Paper 17A](#)

## Key messages from initial research (2/2)



### **Some level of support for exploring almost all topics**

- Mixed views on topics to prioritise
- The strongest support for addressing:
  - application issues related to newer types of intangible assets and new ways of using them (such as cloud computing and agile software development)
  - presentation and disclosure topics (such as more disaggregated information about expenses and better information about unrecognised intangible assets)
- Mixed views on the need for and possible ways of improving comparability between acquired and internally generated intangible assets
- Limited support for exploring more recognition of intangible assets
  - but some calls for testing the robustness of the recognition requirements as part of a comprehensive review
- Strong support for addressing intangible assets held for investment, such as cryptocurrencies and carbon credits – either as part of this project or as a separate project
- Less appetite for expanding the scope of IAS 38 to capture a broader range of intangible items or for reconsidering the scope exclusions, such as goodwill

## IASB decisions on project direction

### Objectives

- Improve the usefulness of information entities provide about intangible items in their financial statements
- Update IAS 38, in particular to make it more suitable for newer types of intangible items and new ways of using them

### Approach



Starting a comprehensive review in a targeted way



Regular reflection points to assess additional evidence

## Topics the project will explore

- ☑ Financial statements user (user) information needs
- ☑ Potential changes to the definition and some aspects of recognition requirements (using test cases)

***Initial  
streams***

- ☑ Intangible assets held for investment
- ☑ Broader review of recognition
- ☑ Disclosure requirements
- ☑ Comparability of information about acquired and internally generated intangible assets
- ⓪ Broader intangible items

*Later  
streams  
(subject to  
change)*



*TBC*

## Initial streams of work (1/2)

### User information needs

#### Cross-cutting stream

Would contribute to all topics

-  explore user information needs in more detail particularly whether this differs by type of intangible asset
-  consider whether changes in the definition, recognition, measurement and/or disclosure requirements would be necessary to provide more useful information

#### What the IASB is doing



Building on the input received to date



Exploring – by sector and by type of intangible asset:

- what information about intangibles assets and associated expenditure users are trying to understand
- what users are doing with that information
- where users are getting that information today

## Initial streams of work (2/2)

### Potential changes to the definition of an intangible asset, related guidance and some aspects of recognition requirements

#### Good entry point

Explores fundamental aspects of IAS 38 and could inform other aspects of the project

- 🎯 explore underlying causes of application issues based on test cases related to newer types of intangible assets and new ways of using them
- 🎯 develop potential solutions using the *Conceptual Framework for Financial Reporting* as a starting point and consider the effects of any potential amendments on the broader population of intangible assets

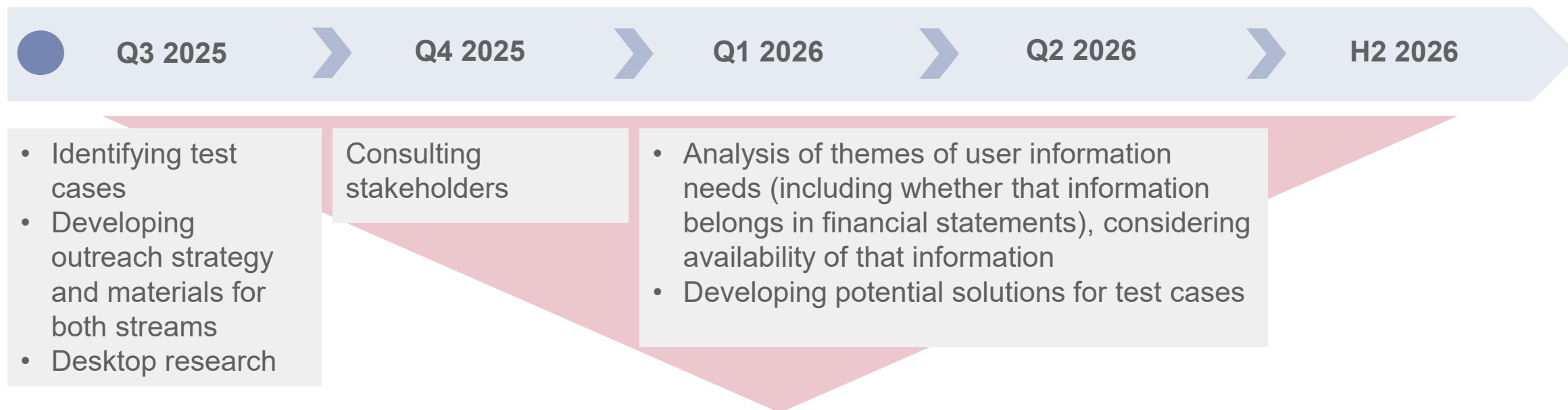
#### Based on test cases<sup>2</sup>

- ✓ **Cloud computing and agile software development**
  - most commonly raised by stakeholders
  - the underlying causes are likely to be relevant for a wide range of newer types of intangible assets and new ways of using intangible assets
- ? **AI and data resources**
  - some concerns from stakeholders
  - additional research to understand the concerns and how widespread they are, assess the effects on financial reporting and determine whether application issues related to AI and data resources would be useful test cases

<sup>2</sup> For more information on the IASB's work on test cases see October 2025 [ASAF Agenda Paper 2](#)



## Indicative timeline for the initial streams of work



### **After completing work, the IASB will be able to:**

- assess whether there is an opportunity to make discrete meaningful improvements to IAS 38 or whether further work is needed before the IASB could consult on any changes to IAS 38
- assess how its findings may affect other groups of topics and their prioritisation

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