
IASB® Meeting

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Project **Intangible Assets**
Topic **Cover Paper**
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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. This paper:
 - (a) provides a recap of the discussions of the International Accounting Standards Board (IASB) on the Intangible Assets project to date;
 - (b) introduces papers for this meeting; and
 - (c) sets out the next step for the project.

Note on terminology:

Intangible assets and intangible items

In these papers we use the terms:

- ‘intangible assets’ to refer to items that meet the definition of an ‘intangible asset’ in *IAS 38 Intangible Assets* regardless of whether they meet the criteria to be recognised.
- ‘intangible items’ to refer to all intangible items, irrespective of whether they are recognised, expensed or disclosed. Intangible items include recognised and unrecognised intangible assets as well as a broader range of intangible items, including human capital, an entity’s reputation, internal organisation and corporate culture.

IASB’s discussions to date

2. 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](#).
3. 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.
4. 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.

5. The IASB also decided which 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 the needs of users of financial statements (users) 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 requirements, 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.

6. In June 2025, the IASB discussed a project plan for exploring the two initial streams.

7. After completing the work on the assessment of user information needs and exploring potential changes to some aspects of the definition and recognition requirements, the IASB will:

- (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 (for example, a broader review of recognition or improvement of disclosure requirements) as well as the prioritisation of the later work streams.

Papers for this meeting

8. At this meeting, the IASB will start its discussion on the work stream exploring potential changes to some aspects of the definition and recognition requirements by considering test case selection and principles and topics to explore further for those test cases. The papers for the meeting are:
 - (a) *Agenda Paper 17A Approach to selecting test cases and identifying principles and topics to explore further*—this paper sets out our approach to selecting test cases and identifying principles and topics to explore further;
 - (b) *Agenda Paper 17B Potential changes to some aspects of the definition and recognition requirements—cloud computing arrangements test case*—this paper summarises staff research and provides staff analysis on the principles and topics to explore further for the cloud computing test case;
 - (c) *Agenda Paper 17C Potential changes to some aspects of the definition and recognition requirements—agile software development test case*—this paper summarises staff research and provides staff analysis on the principles and topics to explore further for the agile software development test case;
 - (d) *Agenda Paper 17D Other potential test cases, including data resources and artificial intelligence-related data and solutions (AI)*—this paper provides staff analysis on:
 - (i) whether there is a need to select AI and data resources as distinct test cases; and
 - (ii) if there is another test case the IASB should explore.
9. The papers do not ask the IASB to make any decisions.

Next step

10. At a future meeting, the staff will present its findings in the work stream exploring user information needs.

Appendix A—Prioritisation of topics in the Intangible Assets project

