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## IASB<sup>®</sup> Meeting

Date	<b>May 2026</b>
Project	<b>Intangible Assets</b>
Topic	<b>Cover paper</b>
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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<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Purpose of this paper

1. In [May 2025](#), the International Accounting Standards Board (IASB) decided to begin work on the Intangible Assets project by exploring two initial work streams in parallel, namely:
  - (a) assessing needs of users of financial statements (users) for information about recognised and unrecognised intangible assets and expenditure associated with them; and
  - (b) considering whether to update some aspects of the definition of an intangible asset, associated guidance and recognition requirements.
2. This paper:
  - (a) introduces papers for this meeting that focus on the user information needs work stream;
  - (b) provides a status update and sets out a suggested approach to progressing the potential changes to some aspects of the definition and recognition requirements work stream; and
  - (c) sets out the next steps for the project.

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3. The paper does not ask the IASB for decisions, but we welcome your comments and questions on the approach mentioned in paragraph 2(b).

### Papers for this meeting

4. At this meeting, the IASB will discuss feedback and other findings collected in the user information needs work stream and initial staff thoughts on implications of this feedback and other findings for the direction of the project. The papers for the meeting are:
- (a) Agenda Paper 17A *Exploring user information needs—Approach and staff desktop research* that provides a recap of the IASB’s previous discussions on the user information needs work stream, explains our approach to further exploring those needs, explains how we conducted desktop research to support outreach with users and presents our research findings and inferences;
  - (b) Agenda Paper 17B *Exploring user information needs—Summary of feedback from user outreach* that summarises feedback from users received during in-depth discussions with sector analysts;
  - (c) Agenda Paper 17C *Exploring user information needs—Summary of additional evidence* that provides additional evidence about user information needs drawn from research on information needs of credit analysts and lenders, discussions with the IASB’s consultative groups and feedback from other groups, including a series of user workshops held by EFRAG; and
  - (d) Agenda Paper 17D *Exploring user information needs—Implications for project direction (initial staff thoughts)* that provides initial staff thoughts on the implications of the findings in the user information needs work stream, including whether the findings could change the priority of topics for the IASB to explore in the Intangible Assets project or options for exploring the topics.

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## Potential changes to some aspects of the definition and recognition requirements—update and approach to progressing the work stream

5. In May 2025, the IASB decided that the work stream exploring potential changes to some aspects of the definition and recognition requirements would initially use, as test cases, application issues related to newer types of intangible assets and new ways of using them. It will then consider the effects of any potential changes on the broader population of intangible assets.
6. In January 2026, after considering the findings of staff research and outreach, software as a service and agile software development were selected as test cases and the IASB discussed principles and topics to explore for each of the test cases. The team has been working on exploring the underlying issues and developing potential improvements.
7. Although the work stream is based on test cases, as described in [January 2026 Agenda Paper 17A](#), the aim is to explore potential principle-based improvements to the requirements in IAS 38 *Intangible Assets*. Therefore, we plan to focus future IASB discussions on potential improvements to IAS 38 requirements, rather than on discussing and solving test cases. Test cases will be used to develop potential improvements and illustrate how updated principles could work.
8. January 2026 Agenda Papers [17B](#) and [17C](#) identified the principles and topics to explore for each test case. In discussing the papers some IASB members suggested additional considerations, such as considering a supplier's, a distributor's and a customer's perspective on a transaction and looking at how an entity's reason for holding an intangible asset may affect its accounting. We have considered how best to balance a comprehensive consideration of all identified topics and making timely progress.
9. Our work to date suggests that it would be difficult to discuss the identified topics in isolation as many of them are interlinked (for example, it is difficult to discuss rights an entity has over an underlying item without considering control). Therefore, we

think that discussing larger packages of related topics together with recommended improvements would be more efficient than step-by-step incremental IASB discussions. Our intention is to bring to the IASB two main packages of topics focusing on potential improvements to:

- (a) the principles for determining whether an entity has an intangible asset; and
- (b) some aspects of recognition requirements.

10. In developing potential improvements, we will naturally consider some of the wider implications of potential changes on the broader population of intangible assets. For example, when considering improvements to recognition requirements for agile software development, we will naturally consider implications for the traditional waterfall development approach. We will build on this initial implications testing once the IASB has discussed the packages of topics in Q2–Q3 2026 and then test the wider implications of potential changes to IAS 38 with the IASB’s consultative groups in Q3–Q4 2026. During that period the IASB will also consider the implications of the findings on user information needs on the direction of the project (see paragraph 12) and we could incorporate any relevant feedback into the work stream exploring potential changes to some aspects of the definition and recognition requirements.
11. We expect the IASB to discuss wider implications of potential solutions and make decisions on the next steps in the work stream exploring potential changes to some aspects of the definition and recognition requirements at the beginning of 2027.

## Next steps

12. The IASB will consult its consultative groups on the implications of findings in the user information needs work stream on the direction of the project and will start its discussion of potential changes to the definition of an intangible asset and associated guidance.

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**Question for the IASB****Question for the IASB**

Do you have any comments or questions on the approach for progressing the work stream exploring potential changes to some aspects of the definition and recognition requirements discussed in paragraphs 7–11 of this paper?