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## IASB® Meeting

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| Date     | <b>May 2026</b>   |
| Project  | <b>Intangible Assets</b>  |
| Topic    | <b>Exploring user information needs—Summary of additional evidence</b>  |
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## Purpose of this paper

1. This paper summarises additional evidence about the needs of users of financial statements (users) for information about recognised and unrecognised intangible assets and related expenditure. That additional evidence is drawn from:
  - (a) [research on information needs of credit analysts and lenders](#);
  - (b) [discussions with the International Accounting Standards Board's \(IASB's\) consultative groups](#); and
  - (c) [feedback from other groups, including a series of user workshops held by EFRAG](#).
2. This paper should be read in conjunction with Agenda Paper 17A *Exploring user information needs—Approach and staff desktop research* and Agenda Paper 17B *Exploring user information needs—Summary of feedback from user outreach* for this meeting.
3. This paper does not ask the IASB to make any decisions. However, we welcome IASB members' comments and questions.

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## Credit analysts and lenders

4. At an earlier stage of the project, the IASB identified a few indications that the non-recognition of some internally generated intangible assets may have real economic effects for some entities. A few preparers said that this non-recognition could lead to difficulties in obtaining financing and paying dividends and that recognising more assets on the balance sheet would improve access to finance, particularly for start-ups performing brand-building or early research and development (R&D) activities (see paragraphs 84(a) and 86(c) of March 2025 IASB [Agenda Paper 17A](#)).
5. We therefore researched how credit analysts and lenders consider information about intangible assets in their decisions on providing loans and extending credit to entities. This section of the paper summarises our findings and highlights how credit analysts' and lenders' information needs differ from the information needs of equity analysts that are summarised in Agenda Paper 17B for this meeting.
6. We had limited opportunities to engage directly with credit analysts and lenders, so most of the evidence summarised in this section draws on earlier-stage outreach and external publications.

### ***Feedback from investor survey and additional outreach***

7. The February 2025 IASB [Agenda Paper 17C](#) summarised a few credit analysts' perspectives gathered through the investor survey conducted in November 2024 and a follow-up meeting with one of the respondents. In particular, the paper described that, compared to equity analysts, credit analysts focus more on the short term, prefer the restrictive nature of the current recognition criteria in IAS 38 *Intangible Assets*, and often treat intangible assets in a more conservative manner (see paragraphs 20 and 48(g) of that paper).
8. In a follow-up meeting, the credit analyst explained that their focus is on downside risk and debt-servicing capacity (that is, cash flows available to pay interest and repay principal), with a more conservative preference for expensing intangible-related

expenditure. The analyst indicated that they generally do not ‘give credit’ to intangible-related expenditure (or related recognised balances) until there is sufficient evidence that the associated cash flows are real and estimable; accordingly, the analyst focuses on what could go wrong and on the cash outflows required to maintain or support an entity’s intangible assets.

9. In response to the question on whether the inability to recognise some intangible assets is holding entities back from getting financing, the analyst responded that they look beyond the value of intangible assets on the balance sheet. That value is less important than knowing how an intangible asset is used within the business and what the cash flows associated with that asset are. The analyst also said that if the intangible asset cannot be sold, its value on the balance sheet is irrelevant. This view of looking at intangible assets as value drivers is similar to that of equity analysts (see Agenda Paper 17B for this meeting).
10. The analyst also highlighted:
  - (a) their greater reliance on audited financial statements as the primary information source, particularly when other information is not available or not provided by the entity; and
  - (b) challenges to their analysis when goodwill and acquired intangible asset balances increase significantly on the balance sheets of highly acquisitive entities, but limited information is provided about those assets.
11. The credit analyst’s requests for improvements were broadly consistent with equity analysts’ requests summarised in Agenda Paper 17B for this meeting—the analyst preferred improving disclosure requirements to expanding recognition and made similar suggestions for improved disclosures. The suggestions included:
  - (a) better information disclosed about recognised intangible assets. The analyst’s example of useful information differed from those we heard in discussions with equity analysts. It focused on separating intangible asset types based on the relative certainty of expected future economic benefits—from

- customer-related intangible assets, such as customer contracts or customer lists, which could have more readily supportable expected future economic benefits, to brands which are associated with more uncertain expected future economic benefits.
- (b) better information disclosed about impairment testing, including sensitivity information (for example, details on the assumptions used in the impairment test, how results compare with carrying amounts and how outcomes could change under key assumption variations).
12. The feedback from several European credit analysts received in April 2026 largely confirmed the views in paragraph 8 of this paper. They expressed a conservative preference for ‘less rather than more’ intangible assets recognised on the balance sheet and said that credit analysts tend to ignore or deduct recognised intangible assets from equity in their analysis.
13. The European credit analysts’ requests for improvements also focused on improving disclosure requirements. They asked for:
- (a) more disaggregation and traceability of intangible-related information—particularly clearer information about capitalised development costs and expensed R&D, including more detail about amortisation and the allocation of material amounts to underlying projects or orders and their expected timelines;
- (b) greater transparency about the value of intangible assets, especially if their value is significant compared to total assets or equity (for example, valuation inputs and assumptions, such as how perpetual cash flows are derived and how discount rates are determined); and
- (c) an additional sensitivity analysis of the valuation based on the most recent actual cash flows together with an explanation of why the carrying amount of the recognised intangible asset differs from that reference value.

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**External publications**

14. We reviewed some articles and publications to understand the current situation for financing based on intangible assets and lenders' information needs. In 2025, the World Intellectual Property Organization (WIPO)—the UN agency dedicated to developing a balanced and effective international Intellectual Property (IP) system—published a report, [\*Moving IP Finance from the Margins to the Mainstream\*](#), that provided an overview of this type of financing and related challenges. The report:
- (a) describes 'IP finance' as using IP and related intangible assets to secure financing for business growth—for example, by pledging them as collateral, transferring rights to the cash flows they generate, or presenting them as indicators of value to support financing decisions;
  - (b) observes that businesses need access to capital to scale and grow, yet many struggle when raising funds, creating a finance gap that can limit their success and potential for economic prosperity; and
  - (c) explains that mainstreaming IP finance could narrow this gap because what an entity creates and invents—when protected by IP rights—can hold substantial value and these IP-related intangible assets can unlock both debt and equity financing.
15. The report also describes the current funding environment. In the early stages of a business, equity financing often serves as the primary funding option, with investors typically assessing IP assets through due diligence to understand how they support business strategy. As entities scale and become profitable, they typically shift towards debt financing. However, the report says that debt financing remains challenging for intangible-intensive entities that lack hard assets (such as property, plant and equipment) and that relatively few lenders and specialised institutions currently accept IP and related intangible assets as security for financing.
16. Despite its potential, the WIPO report observes that IP finance remains 'in its infancy' and that the ecosystem for such financing faces a number of challenges, making it

difficult to scale. The report identifies five challenges to the growth of IP financing and observes that overcoming these challenges requires inputs from multiple sectors and disciplines and that no single entity can address them alone. The challenges are:

- (a) valuing IP assets is hard (for example, because of limited disclosure and lack of a common valuation framework);
- (b) many lenders and investors lack a solid understanding of IP;
- (c) regulators do not encourage the use of IP as collateral;
- (d) transaction costs can be high; and
- (e) IP assets can be hard to liquidate given limited secondary markets.

17. The report states that limited disclosure, which restricts the amount of readily available information, and the underrepresentation of IP assets in financial reports—including limited disclosure in the financial statements lenders use to assess creditworthiness—contribute to the first two challenges. It explains that without detailed disclosures in the financial statements, lenders cannot easily evaluate the risks and potential of IP assets. The report states that the systematic underreporting of IP value creates a blind spot for investors and lenders and this severely disadvantages many young entities when seeking finance, simply because IP and related intangible assets are their primary assets.
18. The report suggests that greater transparency and enhanced disclosure—particularly in financial reporting—can provide more detailed and reliable information on IP transactions and enable analysts and investors to better understand and evaluate the role of IP and related intangible assets in financing decisions.
19. The report calls for increased IP transparency and provides examples of jurisdictional initiatives seeking to do that, including:
- (a) Singapore’s 2023 Intangibles Disclosure Framework—one of the first voluntary frameworks designed to provide consistent and reliable information about entities’ intangible assets that would enable lenders and investors to

- better understand the value of entities' intangible assets and to make informed assessments of their financial prospects; and
- (b) Japan's 2021 Corporate Governance Code—this requires prime market-listed entities to disclose IP investments as part of their management strategies, aligning intangible asset reporting with corporate goals.
20. We think that, overall, in terms of improvements related to financial reporting, the report is broadly consistent with the findings in paragraphs 7–13 of this paper and with equity analysts' requests summarised in Agenda Paper 17B for this meeting, in that it places particular emphasis on improved transparency and enhanced disclosure.

## Summary of discussions with the IASB's consultative groups

### *Capital Markets Advisory Committee (CMAC)*

21. At its [November 2025 meeting](#), CMAC members were asked about their current use of information about intangible assets and for views on potential improvements.
22. Consistent with the findings of staff desktop research in Agenda Paper 17A for this meeting and the user outreach feedback in Agenda Paper 17B for this meeting:
- (a) CMAC members generally confirmed a variation in the amount of information provided by entities about intangible assets in annual reports. A few CMAC members said variation in the amount of intangible-related information in annual reports depends more on an individual entity's capability and intentions rather than the sector it belongs to.
- (b) some members said that they obtain much of the information needed to understand and value intangible activities from narrative sections of annual reports (such as management commentary) and other sources.
- (c) a few members said it is difficult to connect information in narrative sections of annual reports with amounts in the financial statements.

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- (d) some members said that the information in the financial statements is insufficient for understanding intangible assets and their effects on entities' ability to generate future cash flows. These members mentioned several challenges, for example:
- (i) understanding how intangible assets—especially unrecognised internally generated intangible assets—contribute to entities' success;
  - (ii) distinguishing between expenditure for growth and expenditure for maintenance; and
  - (iii) comparing highly acquisitive entities and those growing organically.
23. In relation to improvements, CMAC members broadly supported enhancing disclosures through more disaggregation in the financial statements (for example, by economic nature such as maintenance versus growth expenses, and by product or project and stage for R&D expenses). Also, a few CMAC members suggested additional disclosures such as relevant Key Performance Indicators (KPIs) to assess the performance of intangible assets, an entity's explanation of its key intangible assets and a roll-forward reconciling total R&D spend to expensed research, capitalised development and subsequent amortisation. CMAC members' requests were broadly similar to users' most common requests summarised in Agenda Paper 17B for this meeting for disaggregated spend, clearer 'capitalised versus expensed' explanations and reconciliations, and selective sector-linked KPIs.
24. In some areas, CMAC members' feedback differed compared to user feedback in Agenda Paper 17B for this meeting. In particular:
- (a) one CMAC member suggested the IASB and the International Sustainability Standards Board consider whether financial statements, management commentary and sustainability-related financial information as a package could help users understand how an entity creates value; and

- (b) a few CMAC members said that, although the informativeness of post-acquisition intangible asset numbers may be questioned, users still appreciate seeing the initial allocation of the purchase price to separate assets.

### ***Accounting Standards Advisory Forum (ASAF)***

25. At its [December 2025 meeting](#), ASAF members reported views from users in their jurisdictions on their information needs about intangible assets.
26. ASAF members' comments on the current availability and use of information were similar to those summarised in Agenda Paper 17B for this meeting, for example:
  - (a) many ASAF members said that users obtain decision-useful information about an entity's intangible activities from various sources, including financial statements, management commentary and other sources. Some members emphasised that financial statements remain an important information source about intangible assets in their jurisdictions.
  - (b) many members said that the amount of information about intangible assets in annual reports may vary depending on asset types, the sector to which an entity belongs or other factors such as an entity's business model and the way it uses intangible assets.
27. ASAF members' feedback on users' requested improvements was broadly consistent with the user feedback in Agenda Paper 17B for this meeting:
  - (a) some ASAF members reported that users in their jurisdictions do not necessarily seek more recognition of intangible assets on the balance sheet; one member said that a large user group favoured a 'disclosure first' approach.
  - (b) many requests for improvements related to better disclosure. Most of them related to more disaggregation (especially for R&D expenditure) and information that would help users better understand the entity's business model and how intangible assets contribute to value creation. Other suggestions included information about the 'other intangibles' category, more

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non-financial KPIs, such as KPIs on human capital, innovation and brands, and better information about selected amortisation periods.

28. Areas in which ASAF members' feedback differed from user feedback in Agenda Paper 17B for this meeting included:
- (a) similar to many users in in-depth discussions, many ASAF members cautioned that it would be challenging for the IASB to develop requirements on the level of disaggregation, with some highlighting the need to consider commercial sensitivity. Some suggestions to manage these challenges somewhat differed—a few ASAF members suggested allowing management's judgement and requiring an entity to consider its business model or to report information based on its operating segments. A few members also suggested considering potential effects of entities implementing IFRS 18 *Presentation and Disclosure in Financial Statements*.
  - (b) a few members emphasised the importance of narrative disclosures because they provide richer context and insight into value drivers.
  - (c) some members said that some users asked for a disclosure of cumulative R&D spend by project or programme.
  - (d) one member cautioned that improving disaggregation alone would be insufficient and suggested that recognition and measurement should be considered first.

### ***Emerging Economies Group (EEG)***

29. At its [November 2025 meeting](#), a few EEG members shared feedback from users in their jurisdictions on their information needs about intangible assets.
30. These members confirmed that there is variability in the amount of information entities provide about intangible assets. Users said more information is provided by entities growing via acquisitions rather than growing organically; by entities in

research-intensive sectors rather than in more traditional sectors; and about contractual intangible assets such as patents.

31. The members' suggestions for improvements—similar to those from users covered in Agenda Paper 17B for this meeting—related to improving disclosure requirements, for example, by:
- (a) introducing minimum disclosure anchors such as disaggregation of R&D expenditure by project phases or segments to enhance comparability and transparency; and
  - (b) requiring entities to explain how key intangible assets contribute to value creation or an entity's future operations, their risk profile, competitive advantage, protection mechanisms (such as patents) and management's assessment of useful life and impairment.

## Summary of feedback from other groups

### *EFrag workshops*

32. In December 2025, EFRAG published a [summary report](#) *Workshop series on users' information needs regarding specific types of intangibles*. Compared to our outreach that was organised largely by sector, EFRAG organised workshops by type of intangible assets, covering:
- (a) software, AI, data resources, algorithms, digital platforms;
  - (b) R&D, patents and unpatented technology;
  - (c) marketing and customer-/supplier-related intangibles; and
  - (d) intellectual property.
33. Participants in the workshops represented a wide range of professional backgrounds, including analysts, investors, valuation specialists as well as academics and some preparers with direct contact with users. We observed the workshops.

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34. The EFRAG report's key messages include:
- (a) information currently available in the financial statements is insufficient for a comprehensive understanding of intangible assets.
  - (b) participants called for a combination of qualitative explanation and quantitative detail, centred on how intangible assets drive value creation within different business models, including:
    - (i) greater disaggregation of expenditure and assets (with disaggregation aligned with the business model);
    - (ii) disaggregation that helps users distinguish investment from maintenance spending;
    - (iii) better understanding of how intangible assets contribute to future cash flows; and
    - (iv) better transparency around risks, governance and potential impairment triggers.
  - (c) although recognising that not all intangible-related information belongs in the financial statements, users observed inconsistent capitalisation practices, limited comparability between entities growing organically and those growing through acquisitions, and the difficulty of linking narrative disclosures to reported numbers.
  - (d) analysts and investors frequently turn to alternative sources—such as investor presentations, earnings calls, company websites, management discussion and analysis and public patent databases—to obtain the information they need. Intangible-related KPIs, such as customer lifetime value, customer acquisition costs and churn rates, are largely located outside the financial statements, reflecting the lack of standardised disclosure requirements. Participants generally agreed that more standardised and more granular disclosures should be included within the financial statements, but that narrative explanations of the business model or value creation, sector-specific indicators and longer-term contextual information are better placed in management reports or

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integrated reporting frameworks. This dual approach was seen as the most effective way to balance structure, comparability and relevance.

35. The EFRAG report's key messages broadly corroborate the user feedback summarised in Agenda Paper 17B for this meeting: users view information about intangible assets in the financial statements as insufficient and too aggregated, want more disaggregation and better understanding of value creation and future cash flows, and emphasise comparability issues and weak linkage between narrative and the numbers.

### ***Corporate Reporting Users' Forum UK (CRUF UK)***

36. In March 2026, we met with CRUF UK members and asked for views on information entities provide on newer types of intangible assets and related expenditure (cloud computing, agile development and AI). The feedback was intended to provide input into the IASB's second initial work stream (based on test cases related to newer types of intangible assets) in addition to feedback reported in January 2026 IASB Agenda Papers [17B](#), [17C](#) and [17D](#).
37. CRUF UK members expressed a view that current information is often insufficient or unclear—particularly for agile software development, cloud computing arrangements, AI investment and use and outsourced technology arrangements. For example:
- (a) accounting outcomes are perceived as unclear and inconsistent—some members reported difficulty understanding how entities account for these items, particularly agile-related spend, and what the related benefits of the spend are expected to be.
  - (b) 'investment-like' projects were described as being expensed in some cases, complicating analysis—the discussion highlighted examples of cloud computing arrangements and AI spend that resemble significant long-term investments but are expensed, making it harder to assess payoffs.

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- (c) there is limited transparency over AI spending—a few members said AI-related expenditure is often not separately identifiable, restricting assessment of the scale of investment and related benefits.
  - (d) there is insufficient disclosure of outsourcing dependency and related risks.
38. Members' views on potential improvements differed:
- (a) a few members suggested revisiting how the accounting model applies to modern arrangements, particularly how control is assessed (including the role of contractual rights).
  - (b) one member argued for more capitalisation of internally generated intangible assets to achieve better matching of costs and benefits, but others cautioned against a 'capitalise more' response and viewed enhanced disclosure as preferable. Suggestions for improved disclosure included:
    - (i) greater disaggregation of technology-related expenditure to help users understand what is being spent and why;
    - (ii) better explanations of capitalisation decisions; and
    - (iii) better information about significant third-party contracts, an entity's dependency on them, resilience and recovery if arrangements fail, and the legal form and key contract terms underpinning these arrangements.
39. CRUF UK members' feedback broadly aligns with the feedback reported in January 2026 IASB Agenda Papers [17B](#), [17C](#) and [17D](#) and in Agenda Paper 17B for this meeting, highlighting similar challenges to user analysis and emphasising the need for better information and linkage so users can understand what spend relates to, what it is intended to achieve, and how it connects to outcomes.

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## Question for IASB members

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Do you have any questions or comments on the feedback and other findings summarised in this paper?