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Project **Intangible Assets**

Topic **Academic and other evidence review—update**

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Purpose of the paper

1. At its April 2024 meeting the International Accounting Standards Board (IASB) discussed an [overview of academic literature](#) and a [summary of research performed by national standard-setters](#) (NSS) on the topic of intangible assets. The evidence from this research, together with feedback the IASB had received from the Third Agenda Consultation provided some initial information about potential questions the IASB would seek to address in the Intangible Assets project.
2. In May 2025, following initial work on the project, the IASB decided on the topics it would explore and the prioritisation of those topics (see May 2025 [Agenda Paper 17B](#) for further details).
3. The purpose of this paper is to provide a summary of the additional academic literature, identified since the initial review in April 2024, and recent research from NSSs and other evidence of which we are aware that is relevant to the topics the IASB is exploring in the project. The academic evidence is organised by topic, and the other evidence is linked to the topics to which it relates, to help the IASB consider the evidence in this paper, alongside the evidence in Agenda Paper 17B for this meeting, when it decides the project direction at a future meeting.

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4. The paper includes:
- (a) [background information](#);
 - (b) [key messages](#);
 - (c) [detailed research findings](#);
 - (d) [question for the IASB](#); and
 - (e) [Appendix A—List of academic and other references](#).

Background information

5. The list of academic papers covered in this review includes:
- (a) two papers submitted to the joint IASB–*Review of Accounting Studies* conference, to be held in December 2026;
 - (b) one paper presented at the 2024 IASB Research Forum;
 - (c) one paper presented at the IASB research session at the 2024 European Accounting Association Congress;
 - (d) three papers identified by members of the EFRAG Academic Panel on ‘*Accounting for Intangibles—Users’ Perspective*’ and presented at an EFRAG Academic Panel meeting;
 - (e) two project reports from a joint IASB, KPMG and International Association for Accounting Education and Research (IAAER) research programme;
 - (f) a comment letter by a group of academics to the Financial Accounting Standards Board (FASB)’s Invitation to Comment: *Recognition of Intangibles*;
 - (g) nine papers sent to staff by academics who have participated in IASB academic liaison activities; and
 - (h) thirty additional published and working papers not included in the sources described in paragraphs 5(a)–5(g), which were located via EBSCO, Google

Scholar, Social Science Research Network and other databases of academic studies.¹

6. This review does not include academic papers on the topic of goodwill because in May 2025 the IASB decided not to explore intangible assets covered by other IFRS Accounting Standards in this project.
7. The review includes some academic papers focusing on US generally accepted accounting principles (GAAP) reporting of intangible assets because US-based evidence may highlight issues that are relevant to the application of IAS 38 *Intangible Assets*. However, differences between US GAAP and IAS 38, including the US GAAP requirement to expense research and development expenditure, may affect the applicability of some findings.
8. The summary of evidence from research performed by national standard-setters and other organisations includes:
 - (a) UK Endorsement Board (UKEB)—*Intangible Assets Research: Case Studies Feedback Report*— published in August 2026;
 - (b) Australian Accounting Standards Board (AASB) and Malaysian Accounting Standards Board (MASB) presentations at the International Forum of Accounting Standard Setters meeting in September 2026:
 - (i) an *Evidence on Enhanced Disclosures on Intangibles* report— produced in partnership with two academics; and
 - (ii) a preliminary study *Artificial Intelligence*;
 - (c) World Intellectual Capital/Assets Initiative (WICI) Japan, KPMG Japan and IFRS Foundation report—*Intangibles and Human Capital Disclosures in Japan*;

¹ Even though the results of working papers may change prior to publication, working papers were included in this review for the purpose of outlining the scope of academic research related to intangible assets.

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- (d) CPA Australia Intangibles Summit 2026 Reports —*Accounting for Intangibles in the Age of Technology, Data and AI and supporting research evidence*— and the companion research report *R&D Expenditure Reporting by Software Companies—Research Evidence*; and
 - (e) European Union Intellectual Property Office (EUIPO) report—*IP-backed Finance in Europe: State of Play and Future Perspectives*— published in April 2026.
9. Academic papers and other research reports used various terminology to describe the population of intangible items covered in their work. As much as possible, in summarising the findings we have tried to use the terminology consistently with that used in our previous papers, that is:
- (a) ‘intangible assets’ to refer to recognised and unrecognised intangible assets and associated expenditure.
 - (b) ‘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.
10. If the papers or reports do not explain the terminology or use terms with a specific meaning, we used the terms originally used by authors (for example, ‘intangibles’) and, where relevant, included their explanation of the term.

Key messages

Academic evidence

Overall studies

11. New studies continued to present mixed views on whether financial statements provide sufficient information about intangible-related activities and expenditure.
12. Some studies viewed the non-recognition of internally generated intangible assets as a significant limitation, while others questioned whether differences between entities' market value and book value of equity indicate a deficiency in financial reporting. These studies showed that earnings and revenue can provide useful information about intangible activities even when the related assets are not recognised.
13. An academic literature review observed that accounting for intangible assets remains conservative because of uncertainty about whether expenditure will generate future economic benefits.

Broader review of the recognition requirements in IAS 38

14. New academic evidence on whether recognising more internally generated intangible assets would improve financial reporting is mixed.
15. Studies showed that expenditure on innovation-related or other intangible activities is associated with future economic benefits. Estimating unrecognised internally generated intangible assets by capitalising portions of research and development (R&D) or selling, general and administrative (SG&A) expenditure were associated with improvements in some measures of earnings and book value.
16. Some evidence indicated that capitalisation can provide useful information about the expected future benefits of intangible-related activities. Whether capitalisation is a useful signal appears to depend on the predictability of those benefits and the credibility of recognition decisions.

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17. Some evidence indicates that capitalising qualifying development expenditure can affect entities' investment decisions. One study found that mandatory capitalisation reduced incentives to cut potentially beneficial R&D expenditure to meet short-term earnings targets, resulting in more efficient R&D investment, higher subsequent sales growth and higher-quality patents.
 18. However, some research highlighted that the judgement in capitalisation, amortisation and impairment can raise concerns about auditability and comparability of capitalisation and can make capitalisation a less reliable signal of project success. Some studies therefore suggested enhanced disclosure as an alternative to broader recognition of internally generated intangible assets.

Improving disclosure requirements

19. New research generally indicates the need for better information about intangible-related expenditure, activities, projects and expected outcomes in annual reports and in financial statements in particular. Some evidence indicated that narrative information about R&D and innovation can help users of financial statements (users) assess expected future performance and uncertainty of outcomes.
20. New evidence continues to show that recognition and disclosure can be complementary. Some studies found that information about R&D activities and intellectual property disclosed by entities that also capitalised development expenditure was useful.
21. One study showed that voluntary disclosure of unrecognised intangible assets encouraged by IAS 38 is limited in practice. Several studies provided evidence that commercial sensitivity affects intangible-related disclosures. Entities facing greater competition disclosed less detailed information, including information about advertising expenditure and R&D activities.

Accounting for intangible assets held for investment

- 22. New evidence on intangible assets held for investment is limited to studies on cryptocurrencies and carbon credits.
- 23. The cryptocurrency studies generally indicated that fair value information can be useful and identified comparability concerns arising from varied classification, measurement, presentation and disclosure practices. One study also suggested that classifying crypto assets as intangible assets can affect users' perceptions of risk, including their assessments of other assets reported within the same category.
- 24. The carbon credit studies showed that different accounting treatments can significantly affect reported amounts, comparability and incentives to trade excess allowances.

*Improving the comparability of information****Comparing organically-growing and acquisitive entities***

- 25. Evidence showed significant differences in recognition and disclosure between acquisitive and organically-growing entities. Acquisitive entities recognised more intangible assets and organically-growing entities provided more disclosure about non-contractual intangible assets, but disclosure was limited and potentially constrained by commercial sensitivity.
- 26. Academics had mixed views on whether the differences in accounting between internally generated and acquired intangible assets should be addressed.

The usefulness of information about intangible assets acquired in a business combination

- 27. Evidence on the usefulness of information about identifiable intangible assets acquired in a business combination was mixed. One study found that acquisition-date fair values of identifiable intangible assets provided useful information about future cash flows. However, the usefulness of that information varied by intangible asset

type and depended on factors affecting the quality of the estimates. Another study found more limited benefits from separating identifiable intangible assets from goodwill.

Other topic—Measurement

28. Studies showed that estimates of unrecognised internally generated intangible assets vary significantly depending on the assumptions and measurement approaches used.
29. Research also indicated that intangible assets can be highly entity-specific, with low recovery values, and that reported amortisation may not fully reflect the cost of maintaining operating capacity.

NSS research and other evidence

30. The evidence based on NSS and other research reports reinforces concerns about how to reflect uncertainty in recognition and measurement of internally generated intangible assets and raises questions about identifying the underlying asset, control, unit of account, auditability of the resulting amounts and comparability of accounting outcomes for economically similar resources.
31. The reports support provision of more disaggregated information and clearer links between narrative information and related financial statement information about intangible-related spend, activities, and outcomes.
32. Some entities already provide informative disclosures, but quantitative information, expenditure disaggregation and links between narrative reporting and the financial statements remain limited.
33. Views remain mixed on whether enhanced disclosure alone can address the information needs arising from non-recognition.

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34. The lack of visibility of intellectual property (IP) has been identified as one of the barriers to IP-backed financing, with enhanced disclosure requirements proposed as part of the solution for a functioning IP-backed finance system.

Detailed research findings

35. The detailed research findings are organised in the following sections:
- (a) academic evidence:
 - (i) overall studies;
 - (ii) broader review of the recognition requirements in IAS 38;
 - (iii) improving disclosure requirements;
 - (iv) accounting for intangible assets held for investment;
 - (v) improving the comparability of information about acquired and internally generated intangible assets, and the usefulness of information about intangible assets acquired in a business combination; and
 - (vi) other topic—measurement;
 - (b) NSS research and other evidence:
 - (i) UKEB Case studies feedback report;
 - (ii) AASB and MASB research;
 - (iii) Report on Intangibles and Human Capital Reporting in Japan;
 - (iv) CPA Australia Intangibles Summit Report and companion research report; and
 - (v) EUIPO report.
36. For ease of comparison with the new academic evidence, each section of the academic research summaries begins with the relevant key messages (or extracts from the key messages) in [April 2024 Agenda Paper 17B](#).

Overall studies

37. April 2024 Agenda Paper 17B summarised academic evidence that showed that:
- (a) financial statements may not capture the full value of internally generated intangible assets, suggesting a need to modify accounting requirements.
 - (b) changes might not be necessary because the income statement provides information about unrecognised internally generated intangible assets.
 - (c) despite differing views on recognition, the literature generally supported improving information disclosed, either by amending disclosure requirements or providing guidance about the disclosure of voluntary information.
38. The new evidence in paragraphs 39–42 continues to be mixed on addressing the gap between market value and book value gap. It suggests that differences between market value and book value of equity do not necessarily indicate a general decline in the usefulness of financial reporting and provides further support for improving information disclosed about intangible-related activities.
39. Tucker (2025) examined how technological change has shaped accounting and specifically accounting for intangible assets. Drawing on accounting history, standard-setting developments and descriptive evidence based on 112,015 US entity-year observations during 1970-2024, the paper found:
- (a) accounting has evolved as entities adopted new technologies and entered into new types of transactions, including railroads, securitisations and crypto assets.
 - (b) SG&A expenses increased as a proportion of operating expenses in growing industries, while cost of goods sold (COGS) expenses declined, consistent with increasing investment in intangible resources.
 - (c) large market-to-book differences for major technology entities suggest that many internally generated intangible assets are not recognised.

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- (d) in the author's view, accounting requirements developed for an industrial economy face increasing challenges in reflecting knowledge-based businesses, and further research is needed to improve reporting for intangible assets and other technology-driven economic activities.
40. Green, Tse and Tucker (2026) examined whether investors' relative responses to earnings and revenue information change as intangible assets become more important in value creation. Using 180,949 quarterly observations of US industrial entities during Q1 2001-Q3 2024, the researchers examined share-price responses around earnings announcements and compared the responses to earnings for entities meeting or beating analyst earnings forecasts with the responses to revenue for entities meeting or beating analyst revenue forecasts. The findings most relevant to intangible assets were:
- (a) investors responded positively to both earnings and revenue information, but for the full sample the response to earnings remained larger than the response to revenue.
 - (b) for entities with the highest intangible intensity, measured using SG&A as a proportion of SG&A and COGS expenses, investors responded more to revenue information than to earnings information.
 - (c) in the authors' view, the evidence suggests that revenue becomes more useful as intangible intensity increases, but earnings have not been displaced as a key performance measure because investors continue to respond to both earnings and revenue information.
41. Kanelis and Vorst (2026) examined whether the ability of earnings to inform users about risk has changed over time, contrasting this 'risk relevance' with prior evidence of declining value relevance of earnings. Using 200,451 US entity-year observations during 1975-2024, the researchers measured risk relevance by calculating the explanatory power of earnings volatility for share return volatility. The paper's findings were:

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- (a) earnings became more risk relevant over the sample period. The explanatory power of net income volatility for contemporaneous share return volatility increased from about 12% in 1975 to about 43% in 2024. The explanatory power of operating income volatility increased from about 3% to about 37% over the same period.
 - (b) when decomposing earnings into individual components, the increase in risk relevance was strongest for income statement components associated with intangible investment, particularly R&D and SG&A for entities with high R&D and SG&A intensity.²
 - (c) in the authors' view, the decline in the value relevance of earnings does not imply a general decline in the usefulness of earnings. Instead, in their view, earnings appear to have become more useful for assessing uncertainty and risk, especially in intangible-intensive business environments.
42. Brownen-Trinh, Clatworthy, Livne and Xu (2025) examined whether the widely cited increase in the proportion of market value attributed to intangible assets indicates that accounting information has become less useful and supports changes to accounting requirements for intangible assets. Using S&P 500 data, the researchers replicated a commonly cited analysis by Ocean Tomo, an intellectual property valuation consultancy, which showed that the estimated proportion of market value attributable to intangible assets increased from around 20% in 1975 to 80% in 2020, and extended the analysis back to 1960. The researchers also used analyst forecasts and a residual income valuation model for 15,747 entity-year observations during 1985-2020. Their findings were:
- (a) although the proportion of market value attributed to intangible assets increased from around 20% in 1975 to 80% in 2020, the ratio was already close to 60% in 1965. The researchers therefore concluded that the commonly

² US GAAP requires full expensing of R&D expenditure and therefore the findings of this research may not be fully applicable to applying IAS 38 which requires development expenditure to be capitalised if it meets certain criteria.

cited '20/80 to 80/20' inversion overstates the extent of the change because it starts from an unusually low point in 1975.

- (b) although book value reflected a declining proportion of market value over time, valuations incorporating book value and analysts' forecasts of future earnings accounted for approximately 87% of market value on average.
 - (c) in the authors' view, concerns about the non-recognition of intangible assets may be overstated because users can incorporate information about intangible investments through earnings forecasts and other income statement information.
43. Two recent academic literature reviews considered the broader academic evidence on accounting for intangible assets and innovation-related activities respectively.
44. Hussinki, King, Dumay and Steinhöfel (2025) reviewed 476 papers published in 20 leading accounting journals during 2000-2020 to analyse evidence on the definition and classification of intangible assets. The review considered reporting practices for intangible assets and broader intangible items, including human, relational and structural capital, and the value relevance of information about intangible items. The paper's findings were:
- (a) there is still no consensus on how intangible assets should be defined, classified or recognised.
 - (b) accounting for intangible assets remains conservative because of uncertainty about whether expenditure will generate future economic benefits.
 - (c) research continues to focus heavily on R&D, advertising, goodwill and patents, although evidence on the usefulness of recognising or disclosing information about these items is mixed and often depends on the type of intangible item, industry and reporting setting.
 - (d) in the authors' view, recent standard-setting developments have increasingly focused on disclosure of information about intangible assets and broader intangible items, including in sustainability reporting.

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45. Glaeser and Lang (2024) reviewed 193 accounting papers on innovation published or available up to June 2023, focusing on financial reporting, management, taxation, contracting and financing of innovation. Their findings were:
- (a) innovation differs from other intangible assets because it is novel, non-rival—can be used by more than one party without reducing its availability to others; and partially excludable—cannot always be fully protected from use by others. These characteristics make it difficult to measure or audit, can limit an entity’s control over the associated benefits and create proprietary costs that discourage detailed disclosure.
 - (b) R&D expenditure was generally positively associated with future performance, and evidence from jurisdictions permitting capitalisation indicated that capitalised R&D provided useful information to users. However, the authors cautioned that capitalisation and amortisation, that are based on amounts and useful lives that are difficult to measure and audit, could reduce the usefulness of financial statements.
 - (c) some financial reporting requirements can reduce innovation because of the pressure to focus on short-term results and entities often view R&D expenditure as discretionary. Some studies show that entities can also reduce innovation if financial reporting requirements can result in increased compliance costs or disclosure of commercially sensitive information. There was no evidence that higher-quality financial reporting increased innovation by improving entities’ access to finance.
46. In extended work to a KPMG IAAER research programme project, Ibrahim and Bowden (2026) expanded the disclosure analysis in Ibrahim, Bowden, Elmarzouky and Al-Kilani (2025) to 2,416 entity-year observations from six IFRS reporting jurisdictions and included a hand-collected analysis of the 2023–2024 financial statements of 397 entities. The researchers found:
- (a) entities with higher amounts of recognised intangible assets or higher R&D intensity (measured as R&D expenditure divided by revenue) generally

disclosed more intangible-related information in the financial statements and accompanying notes, including information about R&D expenditure, internally developed software, trade secrets and unpatented IP. Younger entities and larger entities generally disclosed more intangible-related information in the narrative sections of annual reports;

- (b) software was the most commonly recognised intangible asset;
- (c) some entities reported intangible assets using unclear ‘other’ categories (41 entities) or combined categories comprising different types of intangible assets (83 entities) without separately reporting their amounts;
- (d) entities provided information about development costs in their accounting policies or intangible assets notes and information about advertising, R&D and training expenditure in various other notes, such as notes for operating profit, expenses, operating segments, income taxes, cost of sales, business combinations and employee benefits; and
- (e) based on a limited review, the researchers found that disclosures about expenditure on unrecognised intangible assets generally provided the amount recognised as an expense, with little additional information about the expenditure.

Broader review of the recognition requirements in IAS 38

47. The April 2024 paper showed:

- (a) expenditure on many internally generated intangible assets and other intangible items that are not recognised applying IAS 38 was associated with future economic benefits.
- (b) evidence on capitalising development expenditure was mixed. Initial recognition at cost provided useful information in some settings, but capitalisation could also increase uncertainty, and information about subsequent amortisation and impairment was generally less useful.

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- (c) evidence from interviews with analysts showed that the analysts generally supported recognising qualifying development expenditure as intangible assets but raised concerns about the clarity and application of the recognition criteria and supported additional application guidance and disclosures.
 - (d) recognition is complicated by characteristics of intangible assets such as uncertainty about future benefits, non-rival use, limited excludability, entity-specific value, synergies with other resources and difficulties in identifying qualifying expenditure.
48. Academic papers continue to provide mixed evidence on expanding recognition. The evidence discussed below considers:
- (a) whether intangible-related expenditure is associated with future economic benefits (paragraphs 49-54);
 - (b) whether capitalisation provides a useful signal about those benefits (paragraphs 55-59); and
 - (c) whether broader recognition of internally generated intangible assets would provide decision-useful information (paragraphs 60-64).
49. Some papers continued to provide evidence that **expenditure on innovation-related or other intangible activities is associated with future economic benefits**.
50. Goyal and Wahal (2024) examined whether R&D expenditure and patent-based innovation measures were associated with future profitability, asset growth (annual percentage change in total assets) and share returns. Using US listed entities during the 1975-2022 period the paper's findings were:
- (a) R&D expenditure and the economic value of patents, measured using share price reactions to patent issuance, were associated with future cash-based operating profitability (profitability adjusted to exclude non-cash components) for large entities, but not with future asset growth.
 - (b) standard asset-pricing models did not fully explain differences in share returns between entities with high and low R&D expenditure or patent values.

However, those differences were largely explained when the models used a cash-based measure of profitability.

- (c) in the authors' view, R&D and patents are associated with share returns because they help predict future profitability, rather than because they indicate higher future investment in assets. The authors noted that the information contained in R&D expenditure and patent values is reflected in expectations of future profitability and that their role in explaining share returns depends on how profitability is measured.

51. Andronoudis, Tsalavoutas and Tsoligkas (2026) examined whether R&D expenditure and the proportion of development costs capitalised provided useful information to investors. In their research design they allocate the variability of unexpected share returns to three components: the variability of revisions to investors' expectations about future operating cash flows, non-cash components of future earnings and discount rates and examine the extent to which R&D expenditure informs these components. Using 57,615 observations for 10,540 R&D-active entities from 38 jurisdictions applying IFRS Accounting Standards during 2006-2020, the researchers' findings were that R&D expenditure provided useful information to investors about future operating cash flows and the non-cash components of future earnings. R&D expenditure provided more information about the non-cash component of future earnings when the proportion of capitalised development costs was higher. In the authors' view, both R&D expenditure and capitalised development costs provided useful information to investors.
52. Rajgopal, Basirianmahabadi, Iqbal and Srivastava (2026) examined whether, and in what circumstances, capitalising and subsequently amortising and impairing estimated investment portions of R&D and SG&A expenditure improved earnings attributes. They used 147,377 US entity-year observations during 1990-2024, excluding financial entities. The researchers examined matching, persistence and value relevance: matching refers to how closely expenses are aligned with related revenues in the same period, persistence refers to the ability of current earnings to help predict

future earnings, and value relevance is measured as the association of earnings with annual share returns. The paper's findings were:

- (a) modified earnings improved revenue-expense matching, earnings persistence and value relevance on average, and the improvements remained positive after simulated impairments.
- (b) the largest gains in matching were for startup, growth, small and young entities, for which immediate expensing created greater timing differences between costs and related revenues.
- (c) the largest gains in persistence and value relevance were for mature, large, older and lower-volatility entities, for which future benefits from the capitalised portions of R&D and SG&A expenditure were more stable and predictable.
- (d) the improvements from modified earnings were smaller, and in some cases modified earnings performed worse than reported earnings, for decline-stage entities, high-volatility entities and during crisis years, because impairment-related expenses reduced or reversed the benefits of capitalisation.
- (e) in the authors' view, the evidence did not justify expensing most internally generated intangible investments while physical investments are capitalised. However, the authors also acknowledged that capitalisation could increase managerial discretion and preparation and audit costs and create challenges in verifying entity-specific intangible assets.

53. Gulen, Li, Peters and Zekhnini (2025)'s study considered whether excluding internally generated intangible assets from measures of book value, investment and profitability reduces their ability to predict share returns. Using US entity data, they estimated unrecognised intangible assets from accumulated total R&D expenditure and portions of SG&A expenditure, using industry-specific assumptions about the investment portion of SG&A expenditure and the amortisation rates for accumulated R&D expenditure. The accumulated investment portion of SG&A expenditure was amortised at 20 per cent. The authors compared traditional measures and models with

versions incorporating these estimates, using share returns from July 1998 to June 2022. The paper's findings were:

- (a) measures incorporating estimated unrecognised intangible assets generally predicted share returns better than traditional measures, particularly measures of profitability.
- (b) a book-to-market measure based solely on estimated unrecognised intangible assets was better able than the traditional book-to-market measure based on recognised book equity to distinguish between entities with higher and lower subsequent share returns.
- (c) incorporating estimated unrecognised intangible assets improved commonly used models for explaining share returns, particularly in recent decades.
- (d) in the authors' view, expensing R&D and the investment portion of SG&A expenditure can distort book value, profitability and investment measures used by investors.

54. Similar results were reported by Machado and Galdi (2026), who used 156 Brazilian listed entities during 2011–2022 to show that estimates of unrecognised internally generated intangible assets derived from R&D and SG&A expenditure improved the ability of book-to-market measures to predict share returns, particularly for entities with higher estimated internally generated intangible assets.
55. Several academic papers provided **mixed evidence on whether capitalisation provides a positive signal to users about the success of intangible investments**.
56. For example, Ryu and Zarowin (2024) used the adoption of IFRS Accounting Standards in the UK to examine whether requiring entities to capitalise qualifying development expenditure under IAS 38 revealed information not previously conveyed under UK GAAP when entities had a choice to capitalise or not. Their sample comprised 1,296 entity-year observations for 216 UK entities that reported either an R&D asset or R&D expense during 2002-2010. The paper's findings were:

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- (a) in the period after IFRS adoption, capitalised R&D expenditure was more highly valued by the market than expensed R&D expenditure, consistent, in the authors' view, with capitalised development expenditure being more likely to generate future economic benefits.
 - (b) in the period before IFRS adoption, the market valued the R&D expenditure of voluntary expensers and mandatory expensers similarly. Voluntary expensers were entities that capitalised qualifying development expenditure after IFRS adoption, whereas mandatory expensers continued to expense all R&D expenditure. After IFRS adoption, when voluntary expensers were required to identify development expenditure that met the recognition criteria by capitalising it, their R&D expenditure was valued more highly than that of mandatory expensers.
 - (c) in the authors' view, mandatory capitalisation revealed information that the market had not previously inferred under the optional capitalisation requirements in UK GAAP.
57. Similarly, Motohashi, Takada and Tseng (2025) examined whether entities' choices to capitalise or expense R&D provided information about innovation and financing. Using 15,977 observations from 1,916 Japanese listed entities, they compared the 1990-1996 period, when entities had the option to capitalise or expense R&D expenditures, with 2001-2007, when Japanese GAAP required immediate expensing. The researchers compared entities that had previously capitalised R&D with entities that had expensed it, with adjustments to make the groups financially and operationally similar. The paper's findings were:
- (a) in the period when entities could choose to capitalise or expense their R&D expenditures:
 - (i) capitalised R&D was associated with higher-quality innovation, measured by subsequent patent citations and the range of technologies covered by patents. Capitalised R&D was also positively associated with share returns.

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- (ii) expensed R&D was associated with more patent applications, broader international patent coverage and greater debt financing, but not with the cost of debt.
 - (iii) in the authors' view, voluntary expensing signalled financial strength to creditors, while capitalisation signalled project quality to equity investors.
- (b) after the mandatory expensing requirement was introduced, entities that had previously capitalised R&D produced more patent applications and patent families, but the quality of those innovations, measured using patent citations and technological generality, declined. In the authors' view, removing the ability to capitalise R&D reduced incentives to signal project quality and shifted innovation activity towards a greater number of projects rather than higher-quality projects.
 - (c) in the authors' view, accounting choices can communicate information about R&D project quality and influence the balance between innovation quality and quantity.
58. Guenther, Guenther, Herrmann and Homburg (2024) examined the effects of recognising marketing assets, such as brands, customer relationships, licences and distribution agreements. Using 3,840 annual reports from 475 large Australian listed entities during 2001-2010, they compared entities that had capitalised marketing assets under Australian GAAP and stopped capitalising these assets after adopting IFRS Accounting Standards with entities that had previously chosen not to recognise such assets and whose accounting therefore did not change.³ The researchers selected entities with similar financial and operating characteristics to isolate the effects of discontinuing marketing asset recognition. The paper's findings were:

³ Before adopting IFRS Accounting Standards, some Australian entities recognised internally generated marketing assets under Australian GAAP. On adoption of AASB 138 *Intangible Assets* in 2005, entities were required to derecognise internally generated identifiable intangible assets that did not meet AASB 138's recognition requirements. AASB 138 is the Australian equivalent of IAS 38.

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- (a) after IFRS adoption, entities that ceased recognising marketing assets had a higher estimated cost of equity and lower share price informativeness relative to the comparison entities. Share-price informativeness was measured by the extent to which current share prices reflected earnings in subsequent periods. The evidence on the effects of stopping capitalisation of marketing assets on the cost of debt was mixed.
 - (b) the effects of ceasing recognition on long-term marketing efficiency, cost of capital and share-price informativeness were generally weaker for marketing-intensive entities, which, in the authors' view already had more developed internal measurement systems and more publicly available information about their marketing assets.
 - (c) before IFRS adoption, recognition of marketing assets improved long-term marketing efficiency, measured by the customer-equity value generated from marketing expenditure. This advantage disappeared after the entities largely ceased reporting those assets. The evidence on short-term marketing efficiency was mixed.
 - (d) in the authors' view, recognising marketing assets can improve management decisions and provide useful information to users despite measurement uncertainty.
59. One study showed that capitalising qualifying R&D expenditure can reduce entities' incentives to cut R&D expenditure to meet earnings targets. Oswald, Ryu and Zarowin (2026) examined how UK entities' change from expensing to capitalising qualifying development expenditure affected their use of R&D expenditure cuts to manage earnings. Using 2,747 observations for 313 UK entities during 1998–2014, the researchers compared entities that switched from expensing development expenditure under UK GAAP to capitalising qualifying development expenditure under IFRS Accounting Standards with entities that continued to expense all R&D expenditure. The paper's findings were:

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- (a) entities switching to capitalisation were less likely to reduce R&D expenditure when a reduction would enable them to avoid a loss or meet analysts' earnings forecasts. Instead, these entities reduced the R&D expense recognised in the period by capitalising qualifying expenditure. Entities that continued to expense R&D continued to reduce R&D expenditure to meet earnings targets.
 - (b) entities that reduced their use of R&D expenditure cuts increased the responsiveness of their R&D investment to investment opportunities and subsequently achieved higher sales growth and higher-quality patents relative to entities that continued to expense R&D.
 - (c) in the authors' view, capitalisation reduced incentives to cut potentially beneficial R&D expenditure to achieve short-term reporting targets.
60. Several papers **questioned whether broader recognition of internally generated intangible assets would provide decision-useful information**. Similar concerns were raised by users in our outreach summarised in [May 2026 Agenda Paper 17B](#). Users expressed little support for the hypothetical idea of recognition as a way to communicate outcomes, citing concerns about increased subjectivity, lower auditability and weaker comparability arising from broader recognition. Similarly, recent academic papers questioned whether recognition provides reliable signals about the success of intangible investments. These papers emphasised that the usefulness of capitalisation depends on whether recognition conveys credible information about the likelihood of future economic benefits and highlighted the challenges of determining appropriate amortisation and impairment patterns.
61. For example, Penman (2026) and Johnstone and Penman (2024) argued that recognising expenditure as an asset was informative only if the accounting treatment conveys information about the probability of future benefits. Requiring all R&D expenditure to be either capitalised or expensed produces a 'flat likelihood function'—users learn that expenditure has occurred but receive no accounting information about whether the R&D will succeed. The two papers therefore questioned claims that capitalisation is inherently more informative than expensing. In

the authors' view, capitalisation can be informative when it is conditional on credible evidence of probable future benefits, but it can also encourage users to place excessive confidence in highly uncertain assets. More specifically:

- (a) Penman (2026) critiqued empirical studies that construct hypothetical intangible assets by using percentages of expenditure to be treated as investment and amortisation rates applied to broad samples of entities or industry groups and test the association of these estimated intangible assets with share prices or returns. In the author's view, these percentages reflect existing expectations rather than entity-specific information and may be biased towards successful, surviving entities. The paper concluded that such studies did not demonstrate that capitalisation improved information about future benefits.
 - (b) Johnstone and Penman (2024) compared mandatory expensing under US GAAP with conditional capitalisation under IAS 38. They concluded that capitalisation under IAS 38 can provide additional information about the probability of future benefits, but that the usefulness of this information would depend on users' ability to assess how accurately the recognised amount reflects that probability, including the possibility of estimation error or bias. In the authors' view, when information about an R&D project's prospects is highly uncertain, recognising an asset may cause investors to place too much confidence in the project and overinvest in the entity.
62. Penman (2023) also questioned whether broader recognition improves the usefulness of financial reporting. The paper's conclusions were:
- (a) accounting should communicate both expected future benefits and the uncertainty surrounding those benefits. Expensing highly uncertain investments can provide useful information about that uncertainty.
 - (b) expenditure should be capitalised only when a reasonably reliable amortisation pattern can be established—otherwise, separate presentation of that expenditure in the income statement may provide more useful information.

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- (c) the same principle should apply to internally generated and acquired intangible assets and to tangible assets and could be complemented by more detailed reporting of SG&A expenditure because expenditure generating current and future revenue can be difficult to separate.
63. Two studies examined the factors that influence managers' capitalisation decisions and the conditions that influence the information provided by these capitalisation decisions:
- (a) using 24 interviews with accounting staff from 23 Swedish listed entities, Lundh, Seger, Frostenson and Helin (2024) showed that preparers sought to apply recognition and measurement approaches consistently over time, considered how their accounting decisions would be perceived by users and aimed to ensure that financial statements appropriately reflected the entity's operations and circumstances. In the authors' view, these considerations constrained, but did not eliminate, the potential use of judgement in recognition and measurement to manage earnings.
 - (b) using 1,404 entity-year observations for 311 UK-listed, R&D-active entities reporting under IFRS Accounting Standards during 2006-2014, Almaghrabi, Slack, Tsalavoutas and Tsoligkas (2024) showed that managerial characteristics (Chief Executive Officer (CEO) overconfidence measured using the tone in annual reports) and corporate governance (board gender diversity) can affect the information provided by capitalising development costs. The paper's findings were:
 - (i) capitalised development costs and expensed R&D were positively associated with future cash flows, with a stronger association for capitalised development costs.
 - (ii) the association between capitalised development costs and future cash flows was weaker for entities whose CEOs exhibited higher measured overconfidence, suggesting that capitalisation by those entities provided a less reliable indication of future economic benefits.

However, for entities with stronger corporate governance, the adverse effect of CEO overconfidence on the association between capitalised development costs and future cash flows appeared to be offset.

64. Xie and Zhang (2023) considered whether more internally generated intangible assets should be recognised, focusing particularly on technology-based entities in China. Reviewing current accounting requirements, economic evidence and arguments in the literature for and against recognising more internally generated intangible assets, the researchers made the following observations:

- (a) expenditure incurred in developing intangible resources, including R&D, human capital, customer relationships and business models, is generally expensed and the resulting assets are not recognised. In the authors' view, this contributes to differences between market value and recognised net assets and can result in young growing entities reporting losses.
- (b) recognising more internally generated intangible assets could provide relevant information and improve comparability between organically-growing and acquisitive entities.
- (c) significant difficulties arise in establishing control and separability, identifying attributable expenditure, measuring future benefits and determining amortisation or impairment amounts.
- (d) the resulting estimates required to measure recognised internally generated intangible assets could be difficult to verify and susceptible to earnings management.
- (e) given these recognition and measurement difficulties, the authors considered enhanced narrative and quantitative disclosure about entities' unrecognised intangible assets and entities' value creation, provided outside the financial statements as an alternative to broader recognition.

Improving disclosure requirements

65. The takeaways on improving disclosure requirements from the [April 2024 Agenda Paper 17B](#) were:
- (a) academic research generally found providing better information about intangible assets and intangible items was associated with benefits for users and entities.
 - (b) some studies indicated that recognition and disclosure complement each other, including when disclosures help users interpret recognised development expenditure.
 - (c) evidence on disaggregating intangible-related expenditure was mixed. More detailed information could help users assess future benefits but could also impose costs and reveal commercially sensitive information.
 - (d) the research did not identify a generally preferred location for information about intangible items. Suggested locations included the financial statements, management commentary, integrated reports and dedicated reports on value creation.
66. The research identified since the previous literature review reinforces the need for improving information disclosed about recognised and unrecognised intangible assets and associated expenditure. It adds more specific evidence about the types of information that users may find useful and indicates that voluntary disclosure might not provide that information consistently. However, the new evidence also reinforces concerns about commercial sensitivity and the difficulty of developing standardised disclosures for different activities, entities and industries. One study also suggested disclosure may not always provide the same informational benefits as recognition because investors can incur costs in finding, processing and interpreting disclosed information.
67. Several studies examined whether disclosures about innovation activities, R&D and other unrecognised intangible assets provide useful information to investors. The

evidence generally suggests that such disclosures can help investors assess future performance, innovation capabilities and uncertainty of outcomes.

68. Ahci and Joos (2026) examined innovation-related capabilities not fully captured by conventional measures of innovation based on reported R&D expense, the number of patents granted and citations of those patents, and whether information disclosed about those capabilities were associated with future performance. They defined capabilities as the entity-specific abilities needed to implement new ideas and existing knowledge in novel products, services, business processes, organisational practices and business models. The authors captured signals of these capabilities by identifying novel terms in mandatory 10-K report business descriptions and by using a large language model to classify the terms by type⁴. Using 80,071 observations for US listed entities during 1997–2024, the paper’s findings were:
- (a) innovation differed across sectors. Product innovation was prominent in R&D-intensive sectors, while non-R&D-intensive sectors reported a more balanced mix, including substantial business-process innovation.
 - (b) newly disclosed information about innovation was associated with higher future sales growth, while information about accumulated product, business-process and artificial intelligence (AI) capabilities were associated with higher future operating profitability.
 - (c) entities with strong product and business-process capabilities experienced higher abnormal returns during the covid-19 recovery.
 - (d) non-R&D entities increased the information about business-process, organisational and business-model innovation disclosed after alliances with high-technology partners.

⁴ A Form 10-K is a comprehensive annual report that publicly traded entities must file with the US Securities and Exchange Commission.

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- (e) in the authors' view, information disclosed distinguishing different internally generated capabilities could help users understand how innovation contributes to performance.
69. Garg and Ranta (2025) examined whether information disclosed about unrecognised internally generated intangible assets and related expenditure was associated with entities' expenditure, performance and value relevance. Using 46,686 US listed entity-year observations from 2003-2019, the researchers constructed four text-based disclosure measures: employee-related disclosure, R&D disclosure, marketing disclosure and intangible-asset disclosure. The authors validated these measures by testing their association with variables expected to reflect related intangible-investment activity, including number of employees, R&D expenditure, advertising expenditure and recognised intangible assets. The paper's findings were:
- (a) R&D, marketing and intangible-asset disclosure measures were positively associated with market valuation, measured by Tobin's Q, which compares an entity's market value with its recorded asset base and is often used as a proxy for investors' assessment of long-term value.
 - (b) employee-related and marketing disclosure measures were positively associated with profitability, measured by return on assets. R&D disclosure measures were negatively associated with profitability.
 - (c) the disclosure measures were positively associated with share price and, in some specifications, with book value per share. The authors found less evidence that the disclosure measures were positively associated with earnings per share.
 - (d) in the authors' view, information disclosed about unrecognised internally generated intangible assets and related expenditure can provide useful information when recognition is constrained.
70. David, Hosseini and Srivastava (2024) examined entities' discussion of intangible assets in 10-K filings. Using approximately 107,000 10-K filings submitted by 12,184 US public entities during 1994–2021, the researchers constructed a text-based

measure of entities' intangible intensity—the number of occurrences of 92 intangible-related terms, divided by the total words in each filing—and analysed share returns from July 1995 to June 2020. The paper's findings were:

- (a) entities' discussion of intangible assets in these filings provided information beyond recognised accounting amounts and other commonly used (mostly quantitative) measures of entities' intangible intensity, including R&D and SG&A expenditures.
- (b) a portfolio investing in entities that discussed intangible assets and selling entities that discussed them less generated an annual risk-adjusted return of 3.37%. The return remained significant after controlling for established risk factors and alternative measures of intangible intensity.
- (c) in the authors' view, investors do not fully incorporate the intangible-related information into share prices.

71. Li and Zou (2024) examined whether mandatory narrative disclosure about innovation helps investors interpret R&D expenditure. Using 8,693 observations for non-financial entities listed on the Shanghai and Shenzhen Stock Exchanges during 2007-2016, the researchers measured innovation-related narrative information disclosed in annual reports using textual analysis. They examined the effects of disclosure requirements introduced in 2012 for entities to disclose information about their R&D projects and core competitiveness. The paper's findings were:

- (a) entities provided more narrative information about innovation after the 2012 requirements mandated disclosure of information about R&D projects and core competitiveness. The increase was greater for innovative entities that had previously provided less information.
- (b) during the full sample period, R&D expenditure was positively associated with the cost of equity. In the authors' view, investors required a higher return because R&D expenditure alone provided limited information about the expected outcomes and risks of the underlying activities. Narrative information provision reduced the association more for entities for which

investors had less information or the outcomes and risks of R&D expenditure were more uncertain.

- (c) after the 2012 disclosure requirements were introduced, the positive association between R&D expenditure and the cost of equity decreased more for innovative entities that had previously disclosed relatively little innovation information, suggesting, in the authors' view, that mandatory disclosure was most beneficial for entities with lower levels of innovation disclosure before the requirements were introduced.
 - (d) in the authors' view, narrative disclosure can complement accounting information about R&D expenditure by providing entity-specific information about R&D activities, innovation strategies and future competitiveness.
72. Academic research examined whether entities disclose information about intangible-related activities voluntarily. The evidence suggests that entities tend to limit such disclosure when information is commercially sensitive or can reveal information to competitors.
73. Gefen, Hsu, Lee, Pan and Reeb (2024) examined US listed entities that do not separately disclose advertising expenditure, even when such expenditure may be material. The researchers compared entities that separately disclosed advertising expenditure in the financial statements with entities that did not disclose it separately using estimates of their advertising activity from Kantar, an external advertising data provider. They found that non-disaggregation of advertising expenditure was common among entities with material advertising activity and was associated with lower market valuations and greater uncertainty in analysts' forecasts compared to entities that disclosed advertising. The study also found that entities whose products could be easily imitated by competitors were less likely to disclose advertising expenditure, consistent with concerns about revealing commercially sensitive information.
74. Wee and He (2024) examined whether entities' ability to convert R&D expenditure into future economic benefits affects the amount of R&D narrative information they disclose. Using 20,296 entity-year observations for 2,788 US listed, non-financial

entities with reported R&D expenses during 1993-2018, the authors measured R&D narrative disclosure by counting R&D-related sentences in 10-K filings and measured R&D ability using Research Quotient, a measure developed by Cooper, Knott and Yang (2022) that estimates how effectively an entity converts R&D expenditure into future revenue. The paper's findings were:

- (a) entities that were more able to convert R&D expenditure into future economic benefits generally disclosed less R&D narrative information although this association was weaker for entities with the highest R&D ability.
- (b) entities with lower ability to convert R&D into future benefits disclosed more forward-looking R&D information. There was weak evidence that these entities disclosed less numerical R&D information. In the authors' view, some disclosures by lower-ability entities contained less specific information.
- (c) the negative association between R&D ability and R&D narrative information was concentrated among entities facing higher proprietary costs, measured by product similarity, market concentration and changes in trade secret protection.
- (d) in the authors' view, entities may substitute detailed R&D information with more general innovation-related and forward-looking information to communicate prospects without revealing actionable information to competitors.

75. One study examined whether entities provide information about unrecognised internally generated assets that is encouraged but not required by IAS 38. Using a sample of Australian entities' annual reports in the period 2015–2020, including reports of 56 recipients of Australasian Reporting Awards, a proxy for high-quality reporting, and reports from entities in intangible-intensive sectors, Davern, Tan and Gu (2021) showed that voluntary disclosure of unrecognised intangible assets was rare. The researchers identified only a few relevant discussions, mostly in financial statements of pharmaceutical and information-technology entities. They identified one notable financial statement disclosure example involving patents and other intellectual property that could not be fully recognised because of measurement difficulties.

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76. Some papers considered how the information about intangible activities and intangible assets entities provide can be improved. They highlighted enhanced disclosure and disaggregation of intangible-related expenditure as a key area for improvement.
77. Srivastava (2025) examined whether financial reporting designed for physical-asset-intensive entities remains useful for knowledge-based entities. The author observed that current financial statements provide limited information about internally generated intangible assets and suggested that enhanced disclosure and disaggregation of intangible-related expenditure would be the most practical near-term improvement, while noting that capitalisation of some internally generated intangible assets could also be considered.
78. In a comment letter to the Financial Accounting Standards Board (FASB) Invitation to Comment: *Recognition of Intangibles*, Chen, Hill, Durney and Vulcheva (2025), writing for the Financial Reporting Policy Committee of the American Accounting Association's Financial Accounting and Reporting Section, observed that financial statements provide insufficient information about intangible assets and related expenditure and activities, particularly those developed internally, and recommends addressing the deficiency primarily through disclosure rather than expanded recognition.⁵ The comment letter's main arguments and suggestions were:
- (a) academic evidence on capitalising internally generated intangible assets is mixed, and there is no consensus on workable recognition thresholds, measurement approaches or amortisation requirements. Capitalisation would also be insufficient because users need information about the nature, progress and outputs of intangible-related activities, not merely an asset amount.
 - (b) entities should disclose current-period intangible-related expenditure, to the extent it can be identified, and disaggregate that expenditure by expense type and, when activities are organised as projects, by project and stage of development. Suggested project information includes current and cumulative

⁵ American Accounting Association is an academic organisation dedicated to accounting research and education.

expenditure, descriptions of significant projects and projects abandoned during the period.

- (c) entities should disclose measurable outputs of intangible-related activities, such as relevant patent information, when those outputs can be identified and faithfully represented. The letter acknowledges that suitable outputs might not always be available and could be subject to managerial discretion.
- (d) disclosures should distinguish internally developed from externally acquired intangible assets to improve comparisons between entities growing organically and those growing through acquisitions. The letter acknowledges that evidence directly supporting this disaggregation is limited.
- (e) overall, the authors propose improving reporting about intangible items through structured, disaggregated and project-related disclosure requirements that enable users to develop their own estimates, rather than through wider recognition of internally generated intangible assets.

79. Blankespoor, deHaan and Marinovic (2020) reviewed theoretical and empirical research on investors' costs of finding, obtaining and analysing information disclosed by entities. Although the paper is not specific to intangible assets, its findings may be relevant when considering disclosure as an alternative to recognition. The authors concluded that the location, format, comparability and readability of information can affect investors' ability to identify and use that information. They also noted that 'recognised' information may sometimes be incorporated into share prices more completely than information disclosed elsewhere in financial reports. In the authors' view, enhanced disclosure requirements can improve information available to investors, but the benefits of disclosure may be affected by investors' ability to find, process and interpret the information provided.

Accounting for intangible assets held for investment

80. Previous academic evidence on accounting for intangible assets held for investment summarised in April 2024 Agenda Paper 17B was limited and focused on

cryptocurrencies. Some studies supported measuring cryptocurrencies acquired for investment purposes at fair value or applying a revaluation model, because changes in market prices are relevant to assessing those holdings. Other research considered how entities could identify reliable market information when cryptocurrency markets are fragmented or inactive.

81. The new academic evidence includes several studies on cryptocurrencies and two studies on carbon credits.
82. The academic literature shows that varied accounting and reporting practices for cryptocurrencies create comparability concerns. Some studies concluded that fair value measurement provides the most useful information for users. However, one study found that fair-value measurement was associated with higher share-return volatility. Evidence on presentation and disclosure is mixed. Studies also showed that analysts provide information and interpretation about cryptocurrencies beyond that disclosed by entities.
83. Using 37,785 annual reports from listed entities in 30 European countries during 2018-2024, Huang, Korczak and Tsileponis (2026a) identified 125 entity-years of 35 entities with direct and measurable cryptocurrency holdings. Their findings were:
 - (a) reporting practices varied substantially. Of the 125 observations, 53 reported applying IAS 38, 34 reported applying IAS 2 *Inventories*, 9 reported applying both Standards and 29 applied another framework or did not identify the applicable Standard.
 - (b) as cryptocurrency holdings became more significant, entities generally experienced wider bid-ask spreads and lower share liquidity. However, this association was less pronounced for entities:
 - (i) applying fair-value-based measurement;
 - (ii) separately presenting cryptocurrency holdings, or-related gains or losses in the primary financial statements; and

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- (iii) disclosing the cryptocurrencies held, cryptocurrency-related risks or the effects of the holdings on financial performance.
 - (c) evidence on the usefulness of disclosing the applicable Standard or the purpose of holding cryptocurrency was mixed.
 - (d) greater cryptocurrency exposure was associated with a weaker market response to earnings surprises. In the authors' view, cryptocurrency-related gains, losses, impairments and revaluations may differ from operating earnings in their persistence and valuation implications, making earnings surprises harder to interpret. In addition, observable cryptocurrency price movements may be incorporated into share prices before the earnings announcement, reducing the new information conveyed by reported earnings. This association was less pronounced for entities applying fair-value-based measurement and more pronounced for entities applying cost-based measurement.
84. Anderson, Fang, Moon and Shipman (2025) examined US listed entities' cryptocurrency holdings and accounting practices during 2013–2022. Using quarterly regulatory filings, the researchers identified 646 entity-quarter observations for 128 entities. The paper's findings were:
- (a) disclosed cryptocurrency holdings increased substantially over the period, driven by growth in both the number of entities holding cryptocurrencies and the quantities held.
 - (b) reporting for cryptocurrencies varied in recognition, financial statement presentation and disclosure.
 - (c) entities with greater holdings of financial investments were more likely to measure their cryptocurrencies at fair value, indicating, in the authors' view, that entities viewed cryptocurrencies more similar to investments than to traditional intangible assets.
 - (d) fair-value accounting was associated with higher share-return volatility, but not with more informative earnings.

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85. Luo and Yu (2024) compared cryptocurrency reporting practices between entities applying IFRS Accounting Standards and US GAAP. They used financial statements for 40 listed entities with cryptocurrency exposure, mostly in 2020. The paper's findings were:
- (a) entities applied varied accounting treatments—US entities generally measured cryptocurrencies at cost less impairment, whereas many entities applying IFRS Accounting Standards used fair value. A few IFRS reporting entities holding cryptocurrencies for long-term purposes recognised cryptocurrencies as intangible assets at cost. Entities differed in the presentation of cryptocurrency holdings recognised as intangible assets, with some presenting them as current assets (including in some cases where they intended to hold them long term) and others presenting as non-current assets.
 - (b) most US cryptocurrency miners and some international entities classified the associated cash flows as investing cash flows, whereas mining entities applying IFRS Accounting Standards generally classified them as operating cash flows.
 - (c) in the authors' view, these differences could reduce comparability and obscure entities' financial performance. They recommended measuring cryptocurrencies at fair value through profit or loss, presenting them separately near cash and cash equivalents, and classifying cash flows from the sale of cryptocurrencies received in revenue-generating activities as operating.
86. Anderson, Mendoza and Mongold (2025) examined whether classifying crypto assets as intangible assets affects users' assessments of the category. In experiments involving 155 equity analysts and 133 non-professional investors, the researchers found that classifying crypto assets as intangible assets increased the perceived risk of both crypto assets and other assets reported in the same category. Comparable effects were not observed when crypto assets were classified as investments. In the authors' view, broader and less clearly defined asset categories are more susceptible to classification spillover effects whereby the classification of one asset affects users' assessments of other assets in the same category.

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87. Huang, Korczak and Tsileponis (2026b) examined whether the information environment surrounding US entities' cryptocurrency holdings changed following the issuance of ASU 2023-08.⁶ Using Form 10-K and 10-K/A filings for 2013-2025, the researchers identified 407 cryptocurrency-holder entity-years across 189 entities.
88. Their findings were:
- (a) entities predominantly measured cryptocurrency holdings at fair value during 2013–2017, when no specific accounting guidance applied; switched to a cost basis during 2018–2023 following non-authoritative guidance issued by Big Four accounting firms; and largely switched to fair value measurement following the issuance of ASU 2023–08, including through permitted early adoption.
 - (b) before ASU 2023–08 was issued, entities with greater cryptocurrency holdings had wider bid-ask spreads, lower liquidity, greater analyst forecast dispersion, larger analyst forecast errors and more analyst recommendation disagreement.
 - (c) following the issuance of ASU 2023-08, these associations generally weakened, particularly for bid-ask spreads, analyst forecast dispersion and recommendation disagreement. The evidence was less consistent for liquidity and analyst forecast errors.
 - (d) the improvements in analysts' ability to assess entities' cryptocurrency holdings was generally greater for entities that reported their holdings at fair value, presented cryptocurrency-related gains and losses separately, and identified the specific tokens held.
 - (e) in the authors' view, a common reporting framework would make cryptocurrency holdings easier to interpret.

⁶ ASU 2023-08 is a Financial Accounting Standards Board (FASB) update issued in 2023 that introduced specific accounting requirements for particular crypto assets.

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89. Huang, Korczak and Tsileponis (2026c) examined whether sell-side analysts help users process information about corporate cryptocurrency holdings. Using 17,068 analyst reports matched to 248 Form 10-K filings confirming cryptocurrency holdings for 106 US entities during 2013-2023, the researchers used a generative artificial-intelligence model, validated against human coding and other models, to extract cryptocurrency-related analyses and their tone. Their findings were:
- (a) of the 17,068 analyst reports, 5,301 contained substantive cryptocurrency discussion. Analysts discussed topics covered in 10-K filings and provided additional assessments of how cryptocurrency-related activities affected the entity's expected performance, valuation, investment risks and opportunities and competitive positioning.
 - (b) a more positive tone of analysts' cryptocurrency analysis was associated with higher short-term abnormal returns and trading volume, although the association varied depending on the topic discussed. In the authors' view, share prices and trading activity generally increased around the publication of analyst reports containing more favourable cryptocurrency-related assessments, suggesting that investors considered some of those assessments relevant to the entity's value.
90. The evidence on carbon credits shows that different accounting treatments for emission allowances can affect comparability, reported amounts and entities' incentives to sell excess emission allowances.
91. N'Gatta, Ormazabal and Raney (2025) examined whether financial reporting incentives affect entities' trading of emission allowances. Using EU Emissions Trading System (ETS) data for 3,109 private and public entities, comprising 11,982 entity-year observations from 29 European jurisdictions during 2013–2017, the paper's findings were:
- (a) entities that would have reported losses before selling emission allowances were more likely to sell excess allowances, particularly where historical cost accounting was permitted. Most observations related to private entities.

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- (b) entities sold allowances more frequently near year-end, when earnings were just above zero and when they had received more free allowances. The sales were associated with lower allowance prices and a slightly greater likelihood of missing emissions-reduction targets.
 - (c) in the authors' view, measuring emission allowances at historical cost, including freely granted allowances at zero cost, enables entities to manage earnings by the timing of sales of excess allowances.
92. Ertimur, Francis, Gonzales and Schipper (2020) proposed an accounting model for rights and obligations arising from cap-and-trade pollution reduction programmes. Under current US regulatory practice, allowances are generally recognised as inventory at cost, which is zero for freely allocated allowances, whereas allowances acquired for speculative trading are accounted for as other investments. For the empirical analysis, the researchers assumed the sample entities' allowances were not held for speculative trading. Using transaction-level data for 93 US-listed entities participating in the US sulphur dioxide programme and 3,999 entity-quarter observations during 1995–2009, the researchers constructed financial statements under current US regulatory practice, two other approaches previously considered by the IASB and FASB, and their proposed approach based on the IASB's *Conceptual Framework for Financial Reporting*. The authors' proposed accounting model would apply the same recognition and measurement requirements regardless of whether allowances were held for compliance or trading. All allowances would be recognised as intangible assets, initially and subsequently measured at fair value. The basis for their argument was that otherwise identical allowances do not have different economic characteristics merely because management intends to sell one and surrender another.
93. Ertimur et al (2020)'s findings were:
- (a) the alternative treatments resulted in significant differences in recognised assets and liabilities, leverage and performance measures. Average allowance assets were approximately US\$121 million under current practice, compared

with US\$889 million under each of the three alternative approaches, all of which measured allowances at fair value.

- (b) compared with current practice, average income volatility was approximately 2.5 times greater under the proposed approach and 1.45–2.2 times greater under the IASB/FASB alternatives.
- (c) in the authors' view, intention-based accounting reduces comparability by applying different accounting to economically similar allowances.

Improving the comparability of information

Comparing organically-growing and acquisitive entities

- 94. The April 2024 Agenda Paper 17B summarised limited evidence on the comparability of information about acquired and internally generated intangible assets. Some research suggested that verifiable legal or contractual rights could justify different recognition outcomes. Other research questioned whether acquisition alone sufficiently reduces uncertainty about future economic benefits.
- 95. The evidence identified since the initial literature review continues to provide mixed views on whether the differences in accounting for internally generated and acquired intangible assets should be addressed.
- 96. Ibrahim et al (2025) is an updated version of a paper that was included in paragraph 78 the April 2024 Agenda Paper 17B. The researchers examined differences in the reporting of intangible assets and broader intangible items between UK listed entities that engaged in acquisitions and those that did not. The researchers measured the extent of information disclosed by counting intangible-item keywords in the financial statements and accompanying notes, distinguishing between contractual, non-contractual and broader intangible items. Using 3,475 UK entity-year observations during 2017-2022 with recognised intangible assets, and a subset of 1,460 entity-year observations for the disclosure analysis, the authors found:

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- (a) recognised intangible assets were, on average, 32% of total assets for entities that engaged in acquisitions, compared with 9% for entities that did not, consistent with acquired intangible assets being more likely to meet the recognition criteria in IAS 38 and IFRS 3.
 - (b) entities that did not engage in acquisitions disclosed more information about non-contractual intangible assets, including R&D and trade secrets, suggesting that some entities may supplement non-recognition with additional disclosure. However, disclosure remained limited as a percentage of words in the financial statements and notes.
 - (c) disclosure of intangible-related information affected the value relevance of earnings and book value differently between entities that engaged in acquisitions and those that did not. For entities that engaged in acquisitions, higher levels of information disclosed were associated with lower value relevance of earnings. For both groups, higher levels of disclosure were associated with greater value relevance of book value, with a stronger association for entities that did not engage in acquisitions.
 - (d) in the authors' view, the evidence highlights differences in intangible asset reporting between acquisitive entities and organically-growing entities.
97. In the comment letter to the FASB's Invitation to Comment: *Recognition of Intangibles*, Chen, Durney, Hill and Vulcheva expressed mixed views on aligning the accounting for acquired and internally generated intangible assets and did not recommend additional capitalisation requirements for the latter. While the researchers noted that both types of intangible assets may satisfy the definition of an asset, they highlighted the greater measurement uncertainty and implementation costs associated with internally generated intangible assets. They also argued that academic evidence does not demonstrate clear benefits from additional capitalisation requirements and suggests that investors place greater value on information disclosed about intangible-related activities than on the specific accounting treatment applied.

The usefulness of information about intangible assets acquired in a business combination

98. The previous academic evidence summarised in April 2024 Agenda Paper 17B showed:
- (a) identifiable intangible assets acquired in a business combination provided information beyond goodwill and helped predict future operating and financial performance.
 - (b) the usefulness of separately recognised intangible assets differed by asset type. Some evidence indicated that customer-related, contractual and strategically significant intangible assets were particularly informative.
 - (c) purchase price allocations and fair value measurements could be affected by management incentives, governance and the institutional environment.
99. The new evidence on the benefits of separate recognition of identifiable intangible assets in a business combination is mixed. Blann, Campbell, Shipman, and Wiebe (2025) examined whether fair value measurements of identifiable assets and liabilities acquired in business combinations provide decision-useful information. Using hand-collected purchase price allocation data for 589 acquisitions involving US public acquirers and targets during 2003-2017, the paper's findings were:
- (a) fair value adjustments to acquired net identifiable assets were positively associated with operating cash flows over the three years after the acquisition, after controlling for pre-acquisition book values and cash flows, goodwill recognised at the time of acquisition and other entity and deal characteristics.
 - (b) the association between fair value adjustments and future cash flows was stronger in acquisitions involving repeat acquirers, shared auditors and stronger acquirer governance, suggesting that the usefulness of fair value measurements depends on factors affecting preparers' ability and incentives to estimate fair values accurately.

- (c) fair value adjustments for identifiable intangible assets were associated with future cash flows, on average. However, this evidence was driven mainly by customer-related and contract-related intangible assets, with less evidence that fair values of technology-related and marketing-related intangible assets provided incremental information.
 - (d) analysts' cash flow forecasts and share prices changed around the disclosure of purchase price allocations, which the authors interpret as evidence that users rely on business combination fair value information. However, the authors note that the study does not assess the costs of fair value measurement.
100. In contrast, Noordermeer and Vorst (2025) found that separating intangible assets from goodwill did not generally improve the accuracy of models predicting future operating asset and revenue growth. It improved prediction accuracy only for some entities, including those with indicators of possible impairment. The findings suggest that separate information about acquired intangible assets might not always be useful.

Other topic—Measurement

101. The previous evidence on measurement considered by the IASB in the initial literature review showed:
- (a) the use of fair value measurement for intangible assets was uncommon, reflecting challenges including the general absence of active markets.
 - (b) some researchers supported relaxing the active-market requirement for applying the revaluation model. However, the usefulness and verifiability of estimated fair values remained uncertain.
 - (c) measurement issues were closely connected with recognition because identifying the intangible asset and the expenditure attributable to it was often difficult.

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- (d) some evidence indicated that initial recognition at cost provided useful information, while subsequent amortisation and impairment were generally less useful.
102. The new evidence considers the effects of intangible asset specificity, whether depreciation and amortisation adequately reflect the expenditure needed to maintain operating capacity, and approaches to estimating unrecognised internally generated intangible assets.
103. Payne-Mann and Sloan (2026) examined the asset specificity of intangible assets by revisiting estimates of their recovery rates in bankruptcy⁷. They challenged the conclusion in Kermani and Ma (2023) that intangible assets have recovery rates comparable to tangible assets and therefore have not materially reduced firms' liquidation values. Using Chapter 11 bankruptcy filings for 327 US public entities, the paper's findings were:
- (a) previous estimates overstated intangible recovery rates because they did not reflect unrecognised internally generated intangible assets. After adjustment, average industry-level recovery rates fell from about 25% to less than 3%. The revised estimates suggested that intangible assets are highly asset specific, have limited value outside their existing use, and that the growing prevalence of intangible assets has reduced entities' liquidation values.
- (b) in the authors' view, intangible asset recoveries should not be estimated without taking account of unrecognised internally generated intangible assets.
104. Peddireddy (2021) examined whether depreciation and amortisation expense adequately captures the economic cost of maintaining the operating capacity needed to sustain current revenue. Using US listed entities with common shares traded on NYSE, Amex or NASDAQ during 1974-2016, excluding financial entities, unclassified industries and small or otherwise incomplete observations, the researcher

⁷ Asset specificity refers to the extent to which an asset's value depends on a particular use or owner and therefore cannot be easily redeployed without losing value.

estimated maintenance capital expenditure for long-term operating assets, including both tangible and intangible assets using a five-year measure of capacity costs that combined depreciation and amortisation expense with asset write-downs, impairment losses and losses on asset disposals. Capacity costs were regressed on sales by industry and year, with adjustments for operating leverage, entity age, lease intensity, goodwill intensity and SG&A intensity. The resulting industry- and entity-adjusted capacity cost-to-sales ratio was applied to current-year sales to estimate the maintenance capital expenditure required to sustain the entity's current level of revenue. The paper's findings were:

- (a) reported depreciation and amortisation expense was lower than estimated maintenance capital expenditure for the median entity, by about 25% of reported depreciation and amortisation expense.
- (b) entities whose reported depreciation and amortisation expense was lower than estimated maintenance capital expenditure subsequently reported more write-offs and lower earnings, suggesting that some capacity costs were recognised with a delay.
- (c) entities whose reported depreciation and amortisation expense was lower than estimated maintenance capital expenditure experienced lower future abnormal share returns, suggesting that share prices did not fully reflect the implications for future earnings.
- (d) entities that invested less than the estimated maintenance capital expenditure subsequently increased investment, consistent with the estimate capturing the capital expenditure needed to sustain current operations.
- (e) in the author's view, the measure helps users identify entities that may be recognising insufficient depreciation and amortisation expense, anticipate future write-offs and distinguish maintenance capital expenditure from growth capital expenditure when assessing performance and valuation.

105. One study examined whether the commonly used approaches to estimate unrecognised internally generated intangible assets based on capitalising and

amortising portions of past R&D and SG&A expenditure, fully capture the economic characteristics of intangible investments. Chintha and Srivastava (2025) examined whether estimates of unrecognised internally generated intangible assets can be improved by reflecting synergies between investments and the scalability of those investments. Using purchase-price allocations to identifiable intangible assets from 1,533 acquisitions of US public entities during 1996–2021, they found that a machine-learning model incorporating five years of R&D and operating SG&A expenditure, together with measures of scalability and nonlinear interactions between these inputs explained acquisition-based intangible values and future outcomes better than conventional models that capitalise and amortise a specified portion of R&D and SG&A expenditure. Scalability was proxied by gross margins and revenue growth relative to capital expenditure. Synergies were captured by allowing the model to estimate nonlinear interactions among past expenditure and the scalability measures, rather than by using a separate synergy proxy. In the authors' view, unrecognised internally generated intangible assets cannot be adequately measured by simply accumulating past expenditure.

106. Ewens, Peters and Wang (2025) examined whether exit prices—market values observed when entities are acquired, liquidated or enter bankruptcy—can be used to estimate unrecognised internally generated intangible assets. Using US exit transactions and data for listed US entities during 1978-2017, the researchers estimated industry-specific parameters for capitalising R&D and SG&A expenditure. Their findings were:
- (a) approximately 27% of SG&A expenditure represented investment in long-lived organisational capital, which the researchers described as knowledge embedded in an entity's business practices, processes and system, broadly consistent with the commonly assumed 30%, but estimates varied substantially across industries, from 20% for consumer entities to 51% for healthcare entities.
 - (b) in the authors' view, parameters estimated using exit prices produce measures of unrecognised internally generated intangible assets that perform as well as

or better than measures based on parameters commonly used in academic research.

NSS research and other evidence

UKEB Case studies feedback report

107. The UKEB research examined stakeholder views on the economics and accounting of intangible items. Using four case studies covering training costs, R&D, carbon credits and data, the UKEB conducted workshops with preparers, users, accounting firms, professional bodies and academics between September 2025 and June 2026. The report's findings were:
- (a) despite the different fact patterns, participants consistently raised questions about identification of the underlying asset, the role of the business model, control and the unit of account, uncertainty in relation to both recognition and measurement, comparability between acquired and internally generated resources, and the relationship between recognition and disclosure.
 - (b) participants differed on whether uncertainty should prevent recognition or instead be reflected through measurement, impairment or disclosure. In discussing R&D and data, cost was generally viewed as more objective, practical and auditable than fair value as a measurement basis, but participants questioned whether cost adequately reflects the value created.
 - (c) participants raised concerns about comparability when economically similar resources receive different accounting outcomes depending on whether they are acquired or developed internally.
 - (d) participants generally supported enhanced disclosure requirements about business models, assumptions, judgements, risks and progress. However, views differed on whether disclosure can compensate for non-recognition or resolve recognition, measurement and comparability concerns.

AASB and MASB research

108. The AASB and MASB presented research on *Evidence on enhanced disclosures on intangibles* with Tsalavoutas and Tsoligkas (2026). The presentation's objective was to identify entity-specific examples of good practice disclosures related to intangible assets in financial statements and narrative reporting. The sample consisted of 333 entities from Australia (130 entities), Germany (41), Malaysia (12) and UK (150). The entities were drawn from intangible-intensive sectors (basic materials, consumer discretionary, consumer staples, financials, healthcare, industrials, real estate, technology, telecommunications and utilities). The presentation's focus was on entities' provision of information about brands and patents, development costs, software and R&D. The key findings from the research were:
- (a) some entities already provide informative disclosures about intangible assets that in the authors' view help users connect intangible-related expenditure and recognised assets with the related activities. Examples of such disclosures are:
 - (i) providing granular information about specific recognised intangible assets;
 - (ii) linking narrative information about intangible activities with related financial information, for example by linking R&D activities to the related expenditure and business segment; and
 - (iii) reporting the segments to which some recognised intangible assets relate to.
 - (b) the identified good practice disclosures demonstrate, in the authors' view, that enhanced reporting is achievable within the current reporting framework.
109. Drawing on the examples of good disclosures, the authors' conclusion was that:
- (a) users may benefit from greater transparency about total intangible-related expenditure and how much of it is capitalised or expensed.

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- (b) enhanced disclosure about internally generated intangible assets could help users understand the related investment, management's judgements and how the investment contributes to future performance and cash flows.
 - (c) linking intangible asset information to business segments, innovation activities and performance metrics could help improve users' understanding of how those assets generate value.
 - (d) more detailed information disclosed about impairment assumptions and outcomes may improve transparency for material intangible assets.
110. In a separate review of annual reports from 100 Australian and Malaysian listed companies over four financial years, the AASB and MASB observed a rapid increase in AI-related disclosures. However, these disclosures appeared primarily in management commentary rather than in the financial statements and remained largely narrative (such as AI use, strategy, benefits, and so on) with little discussion of the related accounting implications. Against this background, the AASB and MASB plan to further understand stakeholder feedback on accounting for AI-related expenditures, including any areas of accounting difficulty that may provide evidence to inform IASB's future consideration in its Intangible Asset project.

Report on Intangibles and Human Capital Reporting in Japan

111. A report by WICI Japan, KPMG Japan and the IFRS Foundation examined intangibles and human capital reporting in Japan. The research reviewed the latest integrated reports and securities reports available between May and March 2026 for top 30 Japanese listed entities based on market capitalisation that apply IFRS Accounting Standards. The sample was drawn from the materials, consumer goods, healthcare, financials, industrials, communication and utilities sectors. In summarising the report, we have focused only on the findings about intangibles reporting because human capital is currently covered in the International Sustainability Standards Board's project Workforce-related Disclosures. The report's key findings were:

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- (a) integrated reports generally describe intangibles in the context of value creation compared to securities reports and sometimes link those activities to corporate strategy and investment initiatives. Integrated reports refer to technology, intellectual property, brands, relationships, R&D capabilities and organisational know-how, whereas securities reports focus more narrowly on R&D activities, intellectual property and technology.
 - (b) information about how intangibles contribute to future value creation is generally qualitative. Quantitative measures relating to these activities, particularly the anticipated financial effects of intangibles remain limited in both integrated reports and securities reports. When provided, measures include R&D expenditure and indicators relating to patents, intellectual property, product market share and brand awareness.
 - (c) linkage between narrative information about intangibles and amounts recognised in the financial statements is limited. Integrated reports generally discuss intangibles in the context of strategy and future value creation, whereas financial statements report recognised intangible assets in accordance with accounting requirements.
 - (d) although entities commonly disaggregate revenue and profit by segment, product- or brand-level cost and profit information is often absent, and detailed expense, cost or margin breakdowns are generally limited.

CPA Australia Intangibles Summit report and companion research report

112. The Intangibles Summit 2026, organised by CPA Australia, provided a forum for global standard-setters, regulators, investors, academics and senior finance practitioners to explore how corporate reporting can better reflect value creation drivers such as developments in technology, data and artificial intelligence. The subsequent report *Accounting for Intangibles in the Age of Technology, Data and AI* summarised the presentations and discussions at the Summit and a companion research report *R&D Expenditure Reporting by Software Companies: Research Evidence* examined R&D and software reporting by listed software entities. In

summarising the reports, we have focused on findings relevant to the recognition, disclosure and comparability topics in the Intangible Assets project.

113. The summit report supports prioritising improvements to disclosure, disaggregation and strengthening connections between information in the financial statements and related information in narrative and other corporate reports while recognition and measurement questions continue to be explored.
114. The companion report:
- (a) provides evidence of varied labels used to describe software-related assets and R&D expenditure, limited information provided about the nature of R&D and software-related expenditure in the financial statements, and weak links between narrative reporting and the financial statements; and
 - (b) supports greater transparency about:
 - (i) the nature of research expenditure, including whether the related projects failed or met the criteria for capitalisation;
 - (ii) whether software-related asset additions were acquired or internally generated;
 - (iii) the key judgements and assumptions applied in capitalising or expensing development expenditure;
 - (iv) the nature of capitalised expenditure, including whether it relates to enhancing existing products or developing new products; and
 - (v) impairment testing.

EUIPO Report

115. EUIPO (2026) examined barriers to using IP to obtain finance in Europe and policy options for developing an IP-backed finance market. Drawing on prior research, market data, policy documents and international examples, the report's key messages were:

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- (a) IP-intensive industries make a substantial contribution to the EU economy, but IP-rich entities, particularly SMEs and start-ups, face financing constraints because the use of IP as collateral remains limited and Europe relies heavily on bank lending.
 - (b) three barriers impede the greater use of IP-backed finance:
 - (i) IP differs from conventional collateral because information asymmetry makes risk assessment difficult, their value can depend on complementary assets that are not readily transferable, and individual IP assets are unique, with limited comparable transaction data;
 - (ii) fragmented rules and weak secondary markets reinforce these difficulties; and
 - (iii) IP valuation remains costly, particularly for SMEs, because valuations are bespoke, qualified experts are scarce and limited transaction data makes valuation outcomes difficult to validate.
 - (c) most IP assets, including high-value assets, are not properly identified in accounting documents. As a result, intangible-rich entities can be misrepresented in their financial statements and the information available to financial institutions can be incomplete. The report also states that it is increasingly difficult to compare entities that grow organically with those that acquire IP through mergers and acquisitions.
 - (d) five identified sequenced priorities for coordinated action aim at laying the foundations for a functional IP-backed finance system in Europe:
 - (i) make IP visible;
 - (ii) assign credible value to IP;
 - (iii) leverage IP value into lending;
 - (iv) build the evidence base; and
 - (v) reinforce coordination.

- (e) to improve IP visibility, the report proposes introducing a voluntary comprehensive disclosure framework that would give entities a structured way to share information about their IP and intangible assets in a clear, consistent and usable format for financial actors. The framework would complement existing reporting standards, without creating new reporting obligations or interfering with accounting or sustainability standards.

Staff observations on NSS research and other evidence

116. We will use the findings of research summarised in paragraphs 107–115 to inform the project. The evidence is broadly consistent with feedback from our user outreach discussed in May 2026 IASB meeting and subsequent consultative group discussions summarised in Agenda Paper 17B of this meeting.
117. The UKEB evidence reinforces concerns about judgement, auditability and comparability in accounting for internally generated assets and corroborates support for enhanced disclosure requirements about business models, assumptions, risks and the progress of intangible activities. Some of the questions raised in the UKEB case studies, including the underlying asset, control and the unit of account, relate to matters being explored in our test cases-based work stream. The AASB–MASB presentation provides examples of more connected reporting about intangible-related spend, activities, recognised assets and outcomes, while the WICI Japan, KPMG Japan and IFRS Foundation report and CPA Australia reports identify continuing gaps in quantitative information, expenditure disaggregation and links between narrative reporting and the financial statements.
118. The EUIPO report findings are consistent with previous feedback from equity analysts summarised in May 2026 [Agenda Paper 17B](#) and with feedback from lenders and other evidence, including the World Intellectual Property Organisation’s report, summarised in [May 2026 Agenda Paper 17C](#) on financing challenges related to intangible assets. The EUIPO report corroborates previous findings that limited information, valuation difficulties and weak secondary markets constrain the use of

intangible assets in financing, and that greater transparency and enhanced disclosure could help address some of these challenges.

Question for IASB members

Question for IASB members

Do you have any questions or comments on the updated review of academic literature and other evidence summarised in this agenda paper?

Appendix A—List of academic and other references

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