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FRC Research on Intangible Assets Cover Note

Purpose of this paper

- 1 The role of intangibles, like design, branding, R&D, and software, is growing and in some industries long-term value creation is driven more by intangibles than by tangible assets, like machinery, buildings, and computers. It is claimed that current financial reporting may not capture all the relevant information about these intangible assets.
- 2 EFRAG has tentatively identified this as one potential Research topic in its own Research agenda consultation.
- 3 The UK Standard setter FRC has commenced work on the subject to explore how these concerns might be alleviated. Specifically, the objectives of the project are:
 - (a) to review current requirements and practice for the business reporting of intangibles; and
 - (b) to develop practical proposals for their improvement that can be expected to be implemented in the near future.
- 4 At the next IFASS meeting in Mumbai, the FRC will present its initial thoughts on the topic. The papers presented in this TEG session are based on those that will be discussed at the IFASS meeting.

Agenda Papers

- 5 In addition to this paper, the following papers are provided:
 - (a) 05-02 Issues paper – FRC Research project on Intangibles – First Thoughts;
 - (b) 05-03 Slide presentation.