

This paper has been prepared by the EFRAG Secretariat for discussion at a public meeting of EFRAG TEG. The paper forms part of an early stage of the development of a potential EFRAG position. Consequently, the paper does not represent the official views of EFRAG or any individual member of the EFRAG Board or EFRAG TEG. The paper is made available to enable the public to follow the discussions in the meeting. Tentative decisions are made in public and reported in the EFRAG Update. EFRAG positions, as approved by the EFRAG Board, are published as comment letters, discussion or position papers, or in any other form considered appropriate in the circumstances.

Better Information on Intangibles

Cover Note

Objective of the session

- 1 The objective of this session is to receive EFRAG TEG members' comments on the content of an outlined discussion paper on better information on intangibles.

Background

- 2 In 2018, following the input received from the EFRAG research agenda consultation, EFRAG decided to add a research project on better information on intangibles to its agenda.
- 3 This Discussion Paper considers information to be provided in the primary financial statements, the notes to the financial statements and in the management report. An
- 4 The discussion paper considers potential approaches to provide better information on intangibles and in particular how information on creating, maintaining and/or improving value can be provided in financial reports in a manner that is useful for decisions on providing resources to the entity. Some EFRAG TEG members, and members of the EFRAG Advisory Panel on Intangibles, have previously noted that there were specific application issues with current guidance (e.g. in relation to the scope of IAS 38 *Intangible Assets*). These issues are not considered in the outlined discussion paper; they can be considered in a subsequent step of the project (should EFRAG TEG agree on this).
- 5 The final discussion paper will include an executive summary and an appendix including a summary of the input received from interviews and meetings of the EFRAG Advisory Panel on Intangibles. The executive summary and the appendix have not been prepared for this meeting of EFRAG TEG. A summary of the input received was presented at the November 2020 EFRAG TEG meeting and is available [here](#).

Questions for EFRAG TEG

- 6 The discussion paper includes six chapters. At the 30 March 2021 EFRAG TEG meeting, EFRAG TEG will first be asked to provide their comments to chapters 1 and 2 (together), then to the proposals in chapters 3, 4 and 5 (individually) and then to Chapter 6. After that EFRAG TEG members will (if time allows) be asked for comments on the proposed questions mentioned in the discussion paper. EFRAG TEG members are invited to provide drafting comments in writing to the members of the EFRAG Secretariat involved with the project, including drafting

comments as the focus of the discussion will be more on contents and less on drafting.

- 7 Does EFRAG TEG have any comments to the content, and proposals, included in chapters 1 – 6 of the outlined discussion paper?
- 8 Does EFRAG TEG have any comments to the suggested questions to constituents included in the outlined discussion paper?
- 9 The discussion paper does not generally consider whether the proposed information in chapters 4 and 5 should be included in the notes to the financial statements or in the management report. Does EFRAG TEG think that such a discussion should be included?

Agenda Papers

- 10 In addition to this cover note, agenda papers for this session are:
 - (a) Agenda paper 03-02 – Outlined discussion paper; and
 - (b) Agenda paper 03-03 – Project history and past EFRAG TEG discussions (for background).