

Intangibles Disclosure Framework (“IDF”) to Identify and Communicate Value of Intangibles



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On 4 September 2023, the Intellectual Property Office of Singapore (“**IPOS**”) and the Accounting and Corporate Regulatory Authority (“**ACRA**”) launched the IDF to provide guidance to businesses to disclose and communicate the value of their intangible assets (“**IA**”) as part of the Singapore Intellectual Property Strategy 2030 (“**SIPS 2030**”). A long-term goal of SIPS 2030 is to build a credible and trusted intangible asset valuation and reporting ecosystem that supports enterprises in managing and commercialising their intangible assets. This, in turn, helps enterprises unlock benefits from their intangible assets, contributing to overall business strategy and value.

Under the IDF, an IA is defined as a non-monetary resource that manifests itself by its economic properties. It does not have physical substance but grants rights and/or economic benefits to its owner. Examples of IA include registrable Intellectual Property (“**IP**”) such as trademarks, patents, designs, as well as non-registrable IP such as copyright, trade secrets, goodwill, know-how and software codes.

The intangible assets defined under the prescribed accounting standards in Singapore are a subset of intangibles defined under the IDF.

Given the prominence of intangibles in the increasingly digital economy, enterprises and investors would benefit from the harmonisation of disclosures, improved comparability within similar sectors and the ability to quantify intangible values for better differentiation from peers.

The IDF will be rolled out on a voluntary basis and aims to allow stakeholders to make more informed assessments of an enterprise’s intangibles based on consistent information backed by the IDF’s core principles.

A summary of the four (4) pillars of the disclosure principles in the IDF are illustrated as follow.

Strategy	Identification
Disclose how intangibles contribute to business, strategy, and financial planning where such information is material.	Disclose the nature and characteristics of the intangibles that fit into the definition provided and categorise them.
Recommended Disclosures <ol style="list-style-type: none"> 1. Intangibles and their relationship to business activities and value creation. 2. Intangibles and value creation from past-to-present. 3. Intangibles and value creation from present-to-future. 4. Intangibles and their role(s) in attaining a competitive advantage for the enterprise. 	Recommended Disclosures <ol style="list-style-type: none"> 1. Description of the nature and characteristics of an intangible. 2. Categorisation of intangibles.
Measurement	Management
Disclose the performance metrics and drivers used to assess an enterprise’s intangibles where such information is material.	Disclose how an enterprise identifies, assesses, and manages the risks and opportunities of its intangibles.
Recommended disclosures <ol style="list-style-type: none"> 1. Quantitative or valuation metrics/drivers to assess the performance of intangibles. 2. (Optional) Monetary value of intangibles. 	Recommended disclosures <ol style="list-style-type: none"> 1. Processes for identifying and assessing intangibles-related risks and opportunities. 2. Processes for managing intangibles-related risks and opportunities. 3. Integration between identifying, assessing, and managing intangibles-related risks and an enterprise’s overall risk management strategy.

Reference Materials

The following reference materials are available on the [IPOS website](#):

- [Press Release: New Framework for Enterprises to Disclose and Communicate Intangible Assets Launched](#)
- [Annexes to the press release](#)
- [International Disclosure Framework 2023](#)
- [Summary of Responses](#)

Contact Us

Please speak to our specialists to find out how you can implement the framework and appropriate valuation metrics.

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