

SCOPE		DEFINITION
<p>This Standard shall be applied in accounting for intangible assets, except:</p> <ol style="list-style-type: none"> Intangible assets that are within the scope of another Standard. Financial assets, as defined in IAS 32 <i>Financial Instruments: Presentation</i>. The recognition and measurement of exploration and evaluation assets, and Expenditure on the development and extraction of minerals, oil, natural, gas, and similar non-regenerative resources. 		<ul style="list-style-type: none"> An asset is a resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity. An INTANGIBLE ASSET is an identifiable non-monetary asset without physical substance. <ol style="list-style-type: none"> Identifiability - an asset is identifiable if it either (i) is separable, or (ii) arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations. Control - the capacity for an entity to control the future economic benefits from an intangible asset would normally (but not necessarily) stem from legal rights that are enforceable in a court of law. Future economic benefits - the future economic benefits flowing from an intangible asset may include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the entity.
RECOGNITION		
<ul style="list-style-type: none"> An intangible asset shall be recognized if: <ol style="list-style-type: none"> It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and The cost of the asset can be measured reliably. An entity shall assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be initially recognized at cost. 		<p>Expenditure on an intangible asset shall be recognized as an expense when incurred unless:</p> <ol style="list-style-type: none"> It forms part of the cost of an intangible asset that meets the recognition criteria, or The item is acquired in a business combination and cannot be recognized as an intangible asset, in which case it forms part of the amount recognized as goodwill at the acquisition date.
MEASUREMENT		
Separate Acquisition	Acquisition as Part of Business Combination	Internally Generated
<ul style="list-style-type: none"> The cost of a separately acquired intangible asset comprises: <ol style="list-style-type: none"> Its purchase price, including import duties and purchase taxes, after deducting discounts and rebates, and Any directly attributable costs of preparing the asset for its intended use. Recognition of costs in the carrying amount of an intangible asset ceases when the asset is in the condition necessary for it to be capable of operating in the manner intended by management. 	<ul style="list-style-type: none"> If an intangible asset is acquired in a business combination, the cost of that intangible asset is its fair value at the acquisition date. An acquirer recognizes at the acquisition date, separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognized by the acquiree before the business combination. 	<ul style="list-style-type: none"> Internally generated goodwill shall not be recognized as an asset. To assess whether an internally generated intangible asset meets the criteria for recognition, an entity classifies the generation of the asset into (a) the research phase, and (b) the development phase: <ul style="list-style-type: none"> Research phase - no intangible asset arising from research (or the research phase of an internal project) shall be recognized. Expenditure on research shall be recognized as an expense when incurred. Development phase - an intangible asset arising from development (or the development phase of an internal project) shall be recognized if an entity can demonstrate: <ol style="list-style-type: none"> The technical feasibility of completing the intangible asset so that it will be available for use or sale. Its intention to complete the intangible asset and use or sell it. Its ability to use or sell the intangible asset. How the intangible asset will generate probable future economic benefits. The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset, and Its ability to measure reliably the expenditure attributable to the intangible asset during its development. Expenditure for internally generated brands, mastheads, publishing titles, customer lists, and items similar in substance are not recognized as an intangible asset. The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. <p>The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.</p>
<p>Acquired in-process research and development (R&D) project – subsequent expenditure on an in-process R&D project acquired separately or in a business combination and recognized as an intangible asset is:</p> <ul style="list-style-type: none"> Recognized as an expense when incurred if it is research expenditure. Recognized as an expense if it is development expenditure that doesn't satisfy the criteria for recognition as an intangible asset, and Added to the carrying amount of the acquired in-process R&D project if it is development expenditure that satisfies the recognition criteria. 		

MEASUREMENT *(continued)*

Exchange of Assets

- An intangible asset acquired in exchange for a non-monetary asset(s) is measured at fair value unless (i) the exchange transaction lacks commercial substance or (ii) the fair value of neither the asset received nor the asset(s) given up is reliably measurable.
 - If the acquired asset is not measured at fair value, its cost is measured at the carrying value of the asset(s) given up.

MEASUREMENT AFTER RECOGNITION

An entity shall choose either the cost model or the revaluation model as its accounting policy. If an intangible asset is accounted for using the revaluation model, all other assets in its class shall also be accounted for using the same model.

Cost model – after initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Revaluation model – after initial recognition an intangible shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortization and any subsequent impairment

Useful life - The entity shall assess if the useful life of an intangible asset is finite or indefinite, and if finite, the length of, or number of production or similar units constituting, that useful life. An intangible asset with a finite life shall be allocated on a systematic basis over its useful life. **Amortization** shall begin when an asset is available for use. The amortization period and amortization method shall be reviewed at least at each financial year-end. If the expected useful life is different from previous estimates, the amortization period shall be changed accordingly.

RETIREMENTS AND DISPOSAL

An intangible asset shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss is the difference between the net disposal proceeds and the carrying amount and is recognized in P/L when the asset is derecognized.