**Intangible assets -** identifiable, non-monetary assets without physical substance.

**Definition criteria:**

1. Identifiability

- Separable from the entity.
- Arises from legal rights.

2. Control

- Enjoy future economic benefits.
- Prevent others from obtaining such economic benefit.

3. Future economic benefit - additional sales, cost savings.

**Recognize when:**

1. It meets the definition criteria of intangible assets.
2. It meets the asset recognition criteria
   a. Probable flow of future economic benefit from the asset.
   b. Cost can be measure reliably.

**Initial Measurement at Cost:**

**A. Acquisition**



1. Separate Acquisition = Purchase Price + Directly Attributable Cost (DAC)
2. Business Combination = Fair value
3. Government Grant = Either Fair value or Nominal amount + DAC
4. Exchange Asset = Fair value, if none, carrying value
5. Internally Generated = DAC after meeting 6 criteria

**B. Subsequent measurement at either:**

1. Cost Model = Cost - Accumulated Depreciation - Accumulated Impairment Loss
2. Revaluation Model = Fair value - Subsequent Accumulated Depreciation - Subsequent Accumulated Impairment Loss

*Subsequent expenditures are generally expensed unless it provides further economic benefits such as extension of life, increase in net cash inflow, of improves the quality of output.