

## **Attack on intangibles**

Attacks by Sir David Tweedie, the chairman of the International Accounting Standards Board, on Australian corporate accounting practices related to intangibles may be shortsighted, one of Australia's foremost accounting experts said yesterday.

Financial reporting consultant Colin Parker, a former technical director at CPA Australia, said Sir David's criticisms levelled at corporate accounting for intangible assets are unfortunate given the Australian role in leading the international intangible assets project.

Mr Parker said the Australian Accounting Standards Board is working on the intangible assets accounting project – one of several projects the IASB has given to national standard setters – and international authority may conform in years to come with what some Australian companies are presently doing under Australian accounting standards.

There are no accounting standards specifying accounting for intangible assets and companies use generic accounting for assets – whether they be tangible or intangible – to book mastheads and trademarks that have been generated by a company itself.

Mr Parker said it is interesting that requirements in other accounting standards force the determination of a market value for particular types of financial arrangements, for example, and that is somewhat out of line with the “conservative bricks and mortar stance taken on intangible assets in the existing international accounting standard”.

“It is a little cute for Sir David to come out to Australia and defend an accounting standard that is conceptually flawed and inconsistent with other parts of the international accounting framework,” said Mr Parker.