

Internally-generated intangible assets

- **Generally**, internally-generated intangible assets **cannot be capitalised** (the costs cannot be identified separately from the costs associated with running the business).
- Examples of internally-generated intangible assets that can **never be recognised**:
 - Internally generated goodwill (not identifiable)
 - internally-generated brands
 - mastheads
 - publishing titles
 - customer lists
- **Internally-generated** intangible assets that **can be capitalised** – **development cost** that meets certain criteria (refer to the note on “Research and Development”)

Notes:

1. In a **business combination** (e.g. a parent acquires a subsidiary), **goodwill** can be recognised as an intangible asset.
 - **Goodwill** arises when the **consideration transferred** and the amount of **non-controlling interest (NCI) exceeds** the **fair value** of **net identifiable assets** of the subsidiary
 - In the event if there is a **negative goodwill (gain on bargain purchase)**, it will be treated as **income**.
2. For the case of **business combination**, certain **intangible assets of the subsidiaries can be recognised separately from goodwill** at its **fair value** as at the **date of acquisition**. This would mean that **even though** certain intangible assets are **not recognised in the subsidiary’s separate financial statements**, it **could** be **recognised separately in consolidated financial statements**.
3. For scenario related to business combination as explained above, refer to **IFRS 3** for more information.