

VIA E-MAIL:

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Subject: Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes

Please find enclosed my debate regarding "Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes",

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INTANGIBLES

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Feedback to: **"Determination of fair Market Value of Intangible Assets for IFRS Reporting Purposes"** IVSC Discussion Paper, July 2007.

§ **Section 6.68: Trade Mark Valuation**

- *If it is not practical to evaluate most of the identified intangibles, does the Trade Mark get their value? Or the Goodwill?*
- *It is very complicated to separate the value of a Trade Mark and the Goodwill. From a Marketing point of view, if a Trade Mark has the Goodwill as an attribute, why do we have to separate their value?*

§ **Section 4.30.1 and 4.30.2:**

- *I believe synergies should be excluded from the Fair Value calculation as they are quantified only by each specific potential buyer situation.*

§ **Section 5.24.1:**

- *The Relief from Royalties Method could be classified in the Market Comparable Methods as Royalties (like a multiple) is given by the market.*

§ **Section 5.30:**

- *How do you calculate hypothetical royalty payments that would be saved by owning the asset? If it is complex, and if not calculate from the market, probably is not a “Fair Value”.*

§ **Section 6.56:**

- *If all the assets in a company are related and have synergies between them for the generation of Cash Flows, I believe is not easy to identify the “contributory asset charges” Although there is a project under the TAF to provide specific guidance, in the real world it would be an area of complex debate forever.*
- *Probably is better to transfer this value to the Trade Mark (in most cases is implicit in present calculation).*

§ **Section 7.21, 7.22 and 7.34**

- *More than establishing a hierarchy for the selection of valuation methods, both at active and inactive markets, when we don't know which methods have more qualified factors to be selected (data, sources, etc), I recommend always try to use minimum 3 to 4 methods to reach an average or range of values.*

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