

VIA E-MAIL:

From: "Tim O'Keef" <tokeef@comcast.net>

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To: <CommentLetters@ivsc.org>

Subject: IFRS Intangible Asset Valuation 2007 Paper - Comments

Thank you for fielding these comments:

Add FV and FMV to Glossary of Terms, define and compare and contrast (for example, in the US, the definition of Fair Value differs by state, and is generally associated with minority shareholder rights, or is often applied to divorce proceedings – which may involve intangible assets; whereas Fair Market Value is more recognized on the US national level as a valuation – not legal – concept.). Does IFRS not recognize FMV? The IRS not only recognizes, but typically requires FMV, not FV. Tax implications of intangible asset valuation are enormous, as paragraph 4.29.2 clearly indicates

3.1.2 - 'value in use' is not a measure of fair value? explain.

4.51 – Cost of Disposal in an Inactive Market: Typically disposal costs result from an allocation in a business transfer where one of the many assets sold is the intangible(s). Because IAs are usually bundled with non-IAs when sold, should the synergy concept or allocation concept not apply, rather than a stand-alone IA disposal estimate which would typically inflate the disposal cost estimate?

5.10 - Are sub-licensing arrangements not market-based non-sale transactions? Maybe the "sales comparison approach" should be renamed the "market approach". This would allow for both sale and licensing transactions.

Timothy P. O'Keefe Economist

tokeef@comcast.net