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October 31, 2007

(Submitted via e-mail to [CommentLetters@ivsc.org](mailto:CommentLetters@ivsc.org))

International Valuation Standards Committee  
12 Great George Street  
Parliament Square, London SW1P 3AD  
United Kingdom

Dear International Valuation Standards Committee:

This letter is being submitted in response to your request for comments on the Discussion Paper entitled, "Determination of Fair Value of Intangible Assets for IFRS Reporting Purposes," issued in July 2007 by the International Valuation Standards Committee ("IVSC").

Having had numerous Multinational Companies ("MNCs") as clients formerly as a financial statement auditor, as well as undertaking Fair Value of Intangible Assets valuations currently as a business appraiser, I consider myself to be an "interested party" with respect to paragraph 1.1. of the Discussion Paper. Contained herein are my views regarding the standardisation of the approach to take in the determination of the fair value of intangible assets for the purpose of reporting under the International Financial Reporting Standards ("IFRS").

For the sake of brevity, the specific questions contained in the Discussion Paper will not be repeated in this letter. Only my response and/or comments will follow the item number corresponding to the original question in the Discussion Paper.

## Response and/or Comments

Item 2.1.1:

- Yes. Intangible assets play an increasingly more significant role in the overall value of many MNCs and, because of this, financial statement users will ultimately benefit by the inclusion of specific guidance within the International Valuation Standards related specifically to the area of intangible assets.

Item 2.1.2:

- Yes. The level of detail provided in the Discussion Paper appears to be at the right level.

Item 2.1.3:

- Yes, the Discussion Paper appears to have achieved the intentions set out in paragraph 1.4 of the Scope and Purpose section.

Item 2.1.4:

- I would agree that future guidance should be "principles based" with discussion of different methods and specific examples included in a separate Technical Paper. This allows the Technical Papers to be more dynamic, with new ones issued and old ones superceded as the IVS are revised and updated.

Item 2.8.1:

- Yes.

Item 2.8.2:

- Yes. The term "inactive market" appears to be convey the fact that it represents something other than an "active market" and, thus, should be sufficiently understandable.

Item 2.8.3:

- Yes. The guidance in paragraphs 4.25 et seq. appears to be sufficient.
- No additional guidance appears to be required in respect to entity-specific factors.

Item 2.8.4:

- Yes.

Item 2.17.1:

- Yes.

Item 2.17.2:

- The valuation methods covered should be sufficient.

Item 2.17.3:

- The description of each method appears to be sufficient. More details would not provide any additional benefit.

Item 2.17.4:

- The simple examples that have been included should be sufficient, but consider revising the presentation to a table format, instead of a list/paragraph format. A good collegiate accounting textbook will provide worthwhile examples.

Item 2.17.5:

- No comments.

Item 2.17.6:

- I agree with this assessment.
- No additional factors appear to be necessary.

Items 2.19.1 through 2.19.4:

- No comments.

My desire is that these responses and comments will assist the Committee in its development of the related IVS.

Please do not hesitate to contact me at [gaustin@avgllc.com](mailto:gaustin@avgllc.com) with any additional comments and/or questions.

Respectfully submitted,

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President  
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