

Anat Blodinger

Intangible Assets in Germany and Great Britain

An Accounting Comparison



Content

List of abbreviations	
List of Tables	17
Chapter I:	
Introduction	19
1. Statement of purpose	19
2. The need for an international harmonisation of accounting standards	19
3. The relevance of intangible assets for the international accounting standards harmonisation process	22
4. Past Studies	
5. Methodology	

Chapter II: Comparison e

Chapter II: Comparison of current accounting regulation in Germany and Great Britain	
1. Overview of recognition concepts in Germany and Great Britain	31
2. Accounting treatment of intangible fixed assets in Germany	
2.1 Definitions/Delimitation criteria	33
2.1.1 Asset	33
Delimitation criteria	
2.1.1.1 Separate marketability	36
2.1.1.2 General disposability	43
2.1.1.3 Separate assessability	46
2.1.1.4 The existence of a value	49
2.1.1.5 Separate usability	51
2.1.1.6 Separate enforceability by execution	53
2.1.2 Intangible asset	
2.2 Recognition rules	61

2.2.1 Distinction between acquired and internally generated intangible fixed assets	61
2.2.1.1 Specification of the criterion 'acquisition for	01
consideration'	
2.2.1.2 Reasons for the criterion 'acquisition for	
consideration'	71
2.2.1.3 Problems with the criterion 'acquisition for	
consideration'	
2.2.1.3.1 Intangible fixed assets as contributions	
2.2.1.3.2 Asset deal within a group	80
2.2.1.3.3 Group acquisition of intangible fixed	
assets	81
2.3 Valuation rules	
2.3.1 Separately identifiable intangible fixed assets	
2.3.2 Goodwill in individual accounts	
	0.0
2.3.3 Goodwill in group accounts	
3. Accounting treatment of intangible fixed assets in Great Britain	02
5. Accounting treatment of intaligible fixed assets in Great Britain	92
3.1 Definitions	92
3.1.1 Asset	92
3.1.1.1 Future economic benefits	
3.1.1.2 Control	
3.1.1.3 Transaction or event giving rise to control	
5.1.1.5 Transaction of event giving lise to control	
3.1.2 Intangible asset	
Ŭ	
3.2 Recognition rules	
3.2.1 Development costs	99
3.2.2 Concessions, patents, trade marks and similar rights and asse	te 101
5.2.2 Concessions, patents, trade marks and similar rights and asse	15101
3.2.3 Goodwill	110
3.3 Valuation rules	
3.3.1 Development costs	113

3.3.2 Concessions, patents, trade marks, similar rights and assets and goodwill
3.3.2.1 Historical explanation of the valuation rules incorporated in FRED 12 'Goodwill and Intangible
Assets'
3.3.3 Alternative valuation rules
4. Comparison of the accounting treatment of intangible fixed assets in Germany and Great Britain
4.1 Comparison of the delimitation criteria/definitions of assets
and intangible fixed assets128
4.2 Comparison of the recognition rules for intangible fixed assets
4.3 Comparison of the valuation rules for intangible fixed assets
Chapter III: Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets 1. Environmental Determinism Theory
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets. 147 1. Environmental Determinism Theory. 147
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets 147 1. Environmental Determinism Theory. 147 2. Presentation and comparison of environmental factors in Germany and Great Britain. 148
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets. 147 1. Environmental Determinism Theory. 147 2. Presentation and comparison of environmental factors in Germany and Great Britain. 148 2.1 Legal system. 148
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets. 147 1. Environmental Determinism Theory. 147 2. Presentation and comparison of environmental factors in Germany and Great Britain. 148 2.1 Legal system. 148 2.1.1 Germany. 148
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets. 147 1. Environmental Determinism Theory. 147 2. Presentation and comparison of environmental factors in Germany and Great Britain. 148 2.1 Legal system. 148 2.1.1 Germany. 148 2.1.2 Great Britain. 153
Investigation of the presumed link between divergent environmental factors and international differences in accounting rules for intangible fixed assets 147 1. Environmental Determinism Theory. 147 2. Presentation and comparison of environmental factors in Germany and Great Britain. 148 2.1 Legal system. 148 2.1.1 Germany. 148 2.1.2 Great Britain. 153 2.1.3 Comparison. 158

	2.2.3 Comparison	166
	2.3 Capital market structure	169
	2.3.1 Germany	169
	2.3.2 Great Britain	172
	2.3.3 Comparison	173
3.	. Evaluation of the environmental factors' influence on the accounting treatment of intangible fixed assets	178
	3.1 Influence of the environmental factors on the definition and recognition level.	178
	3.1.1 Influence of the environmental factors on the definition and recognition level in Germany	179
	3.1.2 Influence of the environmental factors on the definition	
	and recognition level in Great Britain	
	3.2 Influence of the environmental factors on the valuation level	192
	3.2.1 Influence of the environmental factors on the valuation level in Germany3.2.2 Influence of the environmental factors on the valuation level in Great Britain	

Chapter IV:

Results	215
1. Implications for the feasibility of an international harmonisation of accounting standards	215
1.1 The feasibility of an accounting standards harmonisation on the definition level	215
1.2 The feasibility of an accounting standards harmonisation on the recognition level.	217

1.2.1 Separately identifiable intangible fixed assets	
1.2.2 Goodwill	
1.3 The feasibility of an accounting standards harmonisation on the valuation level	223
2. Concluding remarks	
Bibliography	235
Index of judgements	
Pronouncements of the Accounting Standards Committee (ASC)	
Pronouncements of the Accounting Standards Board (ASB)	
Pronouncements of the International Accounting Standards Committee (IASC)	262