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From: Birgitta Olsson [mailto:oln@mail.fek.su.se]
Sent: Wednesday, September 12, 2001 9:25 AM
To: director@fasb.org
Cc: bic@fek.su.se; jeg@fek.su.se
Subject: intangibles project proposal

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Mr Timothy Lucas
Director of Research
Financial Accounting Standards Board
401 Merrit 7
Norwalk, CT 06856-5116

Re: Proposed Agenda Project on Disclosure of Information about Intangible Assets Not Recognised in Financial Statements

I strongly support the proposed intangibles' disclosure agenda item. I am a teacher and researcher at PEI, School of Business, Stockholm University. I have like many other persons get convinced of the necessity to get disclosure of information about the Intangible assets. This picture has of course been clarified through the development the last years on the stock markets but also through different studies done by researchers in the Nordic countries but especially through scientific research done by Professor Baruch Lev, Stern School of Business, and his team. A lot of arguments could be found to support the proposed FASB project:

- The lack of information about intangibles assets in financial reports and others means disadvantages for the state when estimating the total wealth of the nation
- The risks for manipulation of financial data on the stock market when the information given is hidden or not standardised
- Huge speculations in insider gains to some of the officers in intangibles-intensive enterprises like IT-companies

- Risks for large volatility when speculations in investments are done on a psychology driven basis
- Difficulties for recently started intangible-intensive firms to get a fair chance to finance their business through bank loans or on the stock market

The disclosure of information is a major question in the economy as a whole and of high importance to investigate. The FASB is the natural host for a project on improved disclosure about intangibles. The solutions is not limited to an improvement of the financial reports but could be to found in different models and ways, by disclosure of standardised additional measures or figures in the usual periodical financial reports, annex to the former financial reports or in a special intangibles report etc. Hopefully could this study also be a major step to get a future global harmonisation between countries and standard setters on disclosure of information on intangible assets.

I will however consider the question of valuation as a secondary question and recommend that the first step would be to search for and try to find a relevant standard for disclosure of some of the most important intangibles.

Finally, I will stress my strongly support of the incorporation of the intangibles disclosure project into the top of the FASB agenda.

Stockholm September, 12, 2001.

Birgitta Olsson, PhD
Associate Professor, PEI, Personnel Economics Institute
School of Business
106 91 Stockholm
Sweden