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IMPROVEMENT OF INTANGIBLE ASSETS STRUCTURE IN THE MANAGEMENT ACCOUNTING SYSTEM OF THE ENTERPRISE

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At the current stage of the world economy development, the issue of rational management of all available resources of the enterprise, assessment of the effectiveness of their use, impact on the results of company and its value as a business unit has become especially relevant. Now, the role of determining factor of ensuring the competitiveness of enterprises has shifted from tangible to intangible resources. Therefore, the development of a system of effective management for all types of intangible assets is a base for achieving the strategic goals.

The process of accounting for intangible assets is regulated by accounting standards, namely National standard 8 "Intangible assets" and IAS 38 "Intangible assets" [2, 3]. These documents establish that the key factor for recognizing an intangible resource as an asset in the accounting system is the possibility of its identification, which consists of the following [2]:

- 1) separation from the enterprise (possibility to sell, transfer, license, lease or exchange);
- 2) arising as a result of legal rights.

Also, national and international accounting standards indicate which intangible resources can be recognized as assets and provide the structure of such assets, which is presented in table 1 [2, 3].

Table 1

**Groups of intangible assets according to national and international
accounting standards**

NAS 8	IAS 38
<ul style="list-style-type: none"> - rights to use natural resources; - rights to use property; - rights to commercial designations; - rights to objects of industrial property; 	<ul style="list-style-type: none"> - brand names; - names and titles of publications; - computer software; - licenses and privileges; - copyright;

Continuation of table 1

NAS 8	IAS 38
- copyright and related rights; - other intangible assets	- patents and other rights for industrial property, rights to service and operation; - recipes, formulas, models, projects and prototypes; - intangible assets at the stage of development.

Due to such limitations, the majority of intangible assets, especially ones with information and intellectual character, are not recognized in accounting system and are not disclosed in a company balance sheet. That is why the basis of the intangible assets management is the management accounting system, which may not be regulated by accounting standards and can reflect a wider range of intangible resources as assets. So, intangible assets in the management accounting represent intangibles in a broader sense.

Analysis of the foreign practice of intangible assets structuring has showed the inclusion of unidentified intangible assets. The main groups of intangible assets, according to the Brand Finance GIFT report [1], are the following:

- 1) Marketing-related intangible assets such as trademarks, trade dress, newspapers, Internet domain names, agreements etc.;
- 2) Customer-related intangible assets such as customer lists, customer contracts and relationships etc.;
- 3) Contract-based intangible assets that include licensing agreements, advertising contracts, construction permits, operating and broadcast rights, use rights, servicing contracts etc.;
- 4) Technology-based intangible assets such as patented technology, software, unpatented technology, databases, trade secrets etc.;
- 5) Artistic-related intangible assets such as literary works, musical works, pictures and photographs, video and audio-visual material etc.

Thus, the structuring of intangible assets according to the areas of activity is observed. But, due to high importance of the information availability and the conduction of intellectual activity, the author proposes the intangible assets structuring according to their participation in the process of intellectual activity. Thus, the main components of intangible assets are those obtained as a result of intellectual activity and not related to the intellectual process. The first group should take into account the results of innovative activities as the basis of effective development, information assets, intellectual assets as a result of further transformation of information and assets related to the achieved business reputation.

The group of intangibles not related to the intellectual process mainly includes use rights, contractual agreements and elements of the IT-sphere of company.

Digitalization of the economy is characterized by the emergence of such a new asset as cryptocurrency. It is recommended to include this type of asset to intangible assets if it is held as a way of accumulation assets and as a mean of increasing the company value. Therefore, this type should become the third main component of the company's intangibles.

An important point is the separation of identified and unidentified assets for the possibility of harmonization with the financial accounting system. The general approach to the proposed structuring of intangible assets in the management accounting system is presented in table 2.

Table 2

Intangible assets structure in the management accounting system

Group of intangible assets	Identification possibility	Components of intangible assets
<i>1. Intangible assets as a result of intellectual activity</i>		
1.1. Results of innovative activity	Identified	Patents, copyrights, certificates
	Unidentified	intangible know-how
1.2. Information assets	Identified	databases, customer lists, audio/video-visual material, own/received information displayed on physical media; business management system disclosed in internal documentation
	Unidentified	trade secrets
1.3. Intellectual assets	Identified	Acquired objects of intellectual property, production technology
	Unidentified	experience and competence of employees, knowledge, organizational structure of the enterprise, creative abilities of the staff, corporate culture
1.4. Business reputation of the enterprise	Identified	-
	Unidentified	trademarks, brand value, social media, relations with buyers, relations with suppliers, image and reputation, work ethics with counterparties
<i>2. Intangible assets of a non-intellectual nature</i>		
2.1. Components of the IT sphere of the enterprise	Identified	Software, internet domains, company website
	Unidentified	Electronic communication network and communication channels
2.2. Rights to use property and resources	Identified	rights to use property, rights for trademarks, license agreements, rights to extract minerals, rights to use water resources etc.
	Unidentified	-
2.3. Contractual rights	Identified	Franchise agreements, sponsorship agreements, import quotas, marketing agreements
	Unidentified	-
<i>3. Cryptocurrency</i>		
Types of cryptocurrencies	Identified	Bitcoin, Ethereum, Cardano etc.

The proposed approach will make it possible both to take into account all available enterprise's intangibles and manage them and determine company's value more reliably.

References:

- [1] Global Intangible Finance Tracker an annual review of the world's intangible value (2019). URL: <https://brandirectory.com/download-report/brand-finance-gift-2019-full-report.pdf>
- [2] International accounting standard 38 "Intangible assets" (2012). URL: https://zakon.rada.gov.ua/laws/show/929_050#Text
- [3] National Accounting Standard No. 8 "Intangible Assets" (1999). URL: <https://zakon.rada.gov.ua/laws/show/z0750-99>