EUROPEAN INTANGIBLE ASSET VALUATION STANDARDS

1st EDITION - 2026

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A. EUROPEAN INTANGIBLE ASSET VALUATION STANDARDS

A.1. EVS-IA STANDARDS

Framework and Scope

1. Objective

These Standards establish mandatory principles, analytical frameworks and procedural expectations necessary to conduct credible, transparent and technically sound valuations of intangible assets.

2. Scope

2.1. For the purposes of these Standards, an intangible asset is understood as an identifiable non-monetary asset, without physical substance, capable of generating or contributing to economic benefits and capable of being individually analysed. An asset is identifiable where it is separable (capable of being sold, licensed or transferred) or arises from contractual or legal rights.

2.2. This understanding is aligned with the definition of intangible assets under EU accounting rules, including IAS 38 (Commission Regulation (EU) No 2023/1803), while serving the specific objectives of valuation.

2.3. These Standards apply to the valuation of identifiable intangible assets, intellectual property rights, and other intangible economic positions capable of generating or influencing economic benefits.

2.4. They are relevant for valuations performed for transactions, financial reporting, financing, regulatory processes, dispute resolution, restructuring, insolvency, and other purposes recognised by law, regulation, or established professional practice.

2.5. Goodwill, intangible resources not separately identifiable, and early-stage intangible positions fall within the scope of these Standards where their valuation requires the application of principles adapted to their specific characteristics.

3. Positioning of the Standards

3.1. These Standards establish binding requirements and interpretative guidance specific to the valuation of intangible assets and constitute an autonomous framework for their valuation.

3.2. Where these Standards provide requirements specific to intangible assets valuation, such requirements shall prevail over any general valuation provisions.

4. Users

These Standards are for application by professional valuers possessing appropriate competence and experience in the valuation of intangible assets, as they address matters requiring specialised analysis, methods and enhanced professional judgement.

EVS-IA 1 Market Value

1. Introduction

While the subject intangible asset may have different values for different market participants, its Market Value represents the estimated price in the market at the valuation date, based on neutral assumptions, providing a common basis of valuation for both buyers and sellers.

2. Scope

EVS-IA 1 considers Market Value in the context of intangible asset valuation including the valuation of majority or minority interests and specific ownership rights.

3. Definition of Market Value and application

3.1. European Intangible Asset Valuation Standard 1 - Definition of Market Value

'Market Value' means:

> "The estimated amount for which an intangible asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without being under compulsion."

3.2. For the purpose of interpreting 'arm's length transaction', TEGOVA has a universally usable common guidance definition:

"The estimated amount for which an intangible asset should exchange on the date of valuation, in a transaction between a willing buyer and a willing seller acting independently of each other after proper marketing wherein the parties had each acted knowledgeably, prudently, and without being under compulsion."

4. Application

4.1. Market Value is a key concept in establishing an informed expectation as to the price for an asset. It represents an estimate of the amount that could reasonably be expected to be paid, that is, the most probable price under market conditions at the date of valuation.

4.2. The nature of the market in which that value is determined will differ according to the subject of the transaction, while market conditions will vary with changes in supply and demand, changing knowledge, technology, rules, trends, expectations, credit conditions, and other circumstances.

4.3. The estimated Market Value will often differ from the price which might be achieved in the transaction, although the valuation analysis is based on the relevant market data which can be obtained and on reasonable assumptions from the market perspective. There might be a number of reasons for such differences, because a buyer and seller might consider other or additional

assumptions and agree on various specific contracting terms, including acquisition-related synergies, which might influence the transaction price.

4.4. Under a Market Value premise, the valuer shall adopt the assumptions, pricing conventions and expectations that would be applied by market participants at the valuation date, including, where relevant:
(a) market-accepted licensing and commercialisation practices
(b) comparable royalty rates and remuneration structures
(c) legal enforceability and exclusivity as recognised under applicable intellectual property (IP) law
(d) regulatory, contractual and territorial constraints affecting the use, transfer or licensing of the intangible asset.

4.5. Owner-specific advantages, synergies or operational characteristics shall not be reflected in the valuation, unless such benefits are reasonably available to, and expected by, market participants generally.

4.6. Key concepts in the definition of Market Value:

- *"The estimated amount …"*
  Market Value is measured as the most probable price reasonably obtainable in the market at the date of valuation on the assumptions of the Market Value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer.
- *"… should exchange …"*
  It is an estimated amount in a hypothetical transaction, rather than a predetermined or actual sale price. It is the price at which the market expects a transaction to be completed at the date of valuation and that meets all the other elements of the Market Value definition.
  The use of "should" conveys that sense of reasonable expectation in a hypothetical transaction between a hypothetical seller and buyer. The valuer shall not make unrealistic assumptions about market conditions or assume a level of Market Value above or below that which is reasonably obtainable.
- *"… on the date of valuation …"*
  This requires that the estimated Market Value be specific to a given date; a value is a judgment at a particular point in time. This is normally the date on which the hypothetical sale is deemed to take place and is usually, therefore, different from the date the valuation is actually prepared. As markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances at the required date of valuation, not at a past or future date. The definition also assumes simultaneous binding agreement on terms and completion of the contract of sale without any variation in price that might otherwise be made in a Market Value transaction at the valuation date.
- *"… between a willing buyer and a willing seller…"*

This assumes a hypothetical buyer and seller, not the actual ones. These persons are motivated, but not compelled, to transact. They are neither over-eager nor prepared to hold out for a price not considered reasonable in the current market. The requirement that they both be willing to make the transaction creates the tension between them in which Market Value can be determined.

- *"… after proper marketing …"*
  The intangible asset would be exposed to the market in the most appropriate manner to release its disposal at the best price reasonably achievable. The length of exposure may vary with market conditions, but shall be sufficient to allow the asset to be brought to the attention of an adequate number of potential purchasers.
- *"… "arm's length" or "acting independently of each other …"*
  Means that parties are unrelated e.g. do not have a particular or special relationship (as might be the case, for example, with parent and subsidiary companies) which could make the price level uncharacteristic of the market or inflated by any element of special value.
- *"… each had acted knowledgeably …"*
  This presumes that both the willing buyer and willing seller are reasonably well informed about the nature and characteristics of the intangible asset and its potential, as well as its inherent risks and the state of the market at the date of valuation.
- *"… prudently …"*
  Each party is presumed to act in their own self-interest with that knowledge, and prudently to seek the best price from their perspective. Prudence is assessed by referring to the state of the market at the date of valuation, not with the benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell an intangible asset in a declining market. In such cases, as for other transactions in markets with changing prices, the prudent person will act in accordance with the best market information available at the time.
- *"… and without being under compulsion …"*
  This establishes that each party is motivated to undertake the transaction, but is neither forced nor coerced to complete it. Each freely enters into and completes the transaction.

5. Highest and Best Use

5.1. The concept of highest and best use refers to the use or exploitation of an intangible asset that would maximise its value from the perspective of market participants. In the context of intangible asset valuation, the concept is applied on an asset-specific basis and considers the full economic potential of the asset, irrespective of its current use or the intentions of a particular owner.

5.2. IFRS 13 Fair Value Measurement, as adopted (incorporated into EU law) by Commission Regulation (EU) 2023/1803 of 13 August 2023, defines highest and best use as "the use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets and liabilities (e.g. a business) within which the asset would be used" (IFRS 13, Appendix A).

5.3. This definition provides a market-participant framework that may be relevant when highest and best use considerations are applied in a Market Value context.

5.4. For an intangible asset, highest and best use represents the use or exploitation pathway that reflects its full economic potential as an asset, as would be reasonably contemplated by market participants at the valuation date. A use that does not reflect such full potential cannot be regarded as the highest and best use, even if it corresponds to the current manner in which the asset is held or utilised.

5.5. The identification of the highest and best use of an intangible asset requires an assessment of whether such use is achievable as at the valuation date, or is reasonably expected to become achievable in the foreseeable future. While a particular use may theoretically result in the highest value, it should be considered in the valuation only to the extent that it satisfies all of the following conditions, from a market-participant perspective:

- it is technically feasible,
- it is reasonably probable, and
- it is legally permissible.

5.5.1. **Technically feasible**

A potential use of an intangible asset may be reasonably probable and legally permissible, yet not technically feasible at the valuation date. Where the technical characteristics of the asset, or the state of relevant technology, prevent such use from being implemented by market participants, that use cannot be regarded as the highest and best use.

5.5.2. **Reasonably probable**

A use applicable only to a single, atypical market participant is not regarded as reasonably probable in a Market Value context and shall therefore be disregarded. A use may be considered only where it is reasonably probable at the valuation date, including where its feasibility is expected to arise in the foreseeable future on the basis of observable market trends or supportable assumptions, such as further development, standardisation, interoperability improvements, or broader market adoption.

5.5.3. **Legally permissible**

Market participants may reasonably perceive that:

- contractual, intellectual property, or data-related restrictions are likely to be amended or renegotiated to permit a broader use of the intangible asset or
- regulatory or licensing frameworks are likely to evolve so as to permit a currently restricted use or exploitation pathway or
- legal uncertainty affecting ownership, transferability, or permitted use is likely to be resolved in the foreseeable future.

5.6. The application of the highest and best use concept is relevant to identifiable intangible assets that may be used or exploited independently. Non-identifiable intangible assets, such as goodwill, do not have a separate use or exploitation pathway and exist only as an inseparable component of a business.

6. Assumptions and special assumptions

6.1. The valuer shall undertake investigations and analysis to the extent necessary to produce a professional valuation for the purpose instructed. Where the information provided or available is limited or restricted, the valuer shall make reasonable assumptions to enable an opinion of value to be reported in the absence of full data or knowledge.

6.2. In contrast to the assumption described above, valuers may make a special assumption when they assume, usually on instruction, a fact or circumstance that is different from those that are reasonably achievable at the date of valuation. The result will be a Market Value (or other Basis of Value) on special assumption.

6.3. Any assumptions and / or special assumptions shall be clearly stated in the Valuation Report.

7. Other matters

7.1. Documentation

The definition of Market Value should be recorded in both the terms of engagement and the Valuation Report.

7.2. Transaction costs and taxes

Market Value is the estimated total value of an intangible asset and excludes the additional costs that may be associated with the sale or purchase of the intangible asset as well as any expected taxation imposed on the transaction.

EVS-IA 2 Bases of Value Other than Market Value

1. Introduction

Although the majority of professional valuations will be on the basis of Market Value, there are circumstances in which alternative bases of value may be required or more appropriate. It is essential that both the valuer and the users of valuations understand the distinction between Market Value and other bases of value, together with the effects that differences between these concepts may create on the valuer's approach to the valuation and on the resulting reported value.

2. Scope

2.1. EVS-IA 2 considers bases of value other than Market Value in the context of intangible asset valuation, including the valuation of partial or specific ownership, exploitation, or economic rights in an intangible asset.

2.2. Bases of value outside of scope – Sometimes valuations may need to be done as required by law or for any other purpose where strict application of the EVS-IA is not appropriate. In such cases, a clear and transparent definition of the basis used shall be expressly stated, and the valuer shall explain the reason for deviating from the EVS-IA-defined basis of value. If, in the opinion of the valuer, a departure from this Standard is necessary and appropriate, such departure shall be disclosed and the reason for it clearly set out in the Valuation Report. If the resultant valuation does not reflect a sum that would equate to a valuation prepared on the basis of Market Value, this should be stated in the Valuation Report.

3. Basis of value

3.1. A basis of value is a statement of the fundamental assumptions for determining the value of the intangible asset for a defined purpose and should be distinguished from the methods or techniques used to implement a selected basis of value.

3.2. "Value" does not equal the actual price paid in a specific transaction between identified parties. At an individual level, the value of an intangible asset reflects its usefulness to that person given his or her resources and opportunities. In a competitive market context, it is rather an estimate of the amount that could reasonably be expected to be paid - the most probable price under market conditions at the valuation date.

3.3. The basis of value shall be selected according to the purpose of the valuation, the legal and regulatory context, and the expectations of the intended users. The characteristics of the intangible asset affect only the valuation method, not the basis of value.

3.4. The selected basis of value determines the interpretation of economic benefits, risks, and assumptions and shall be applied consistently across the valuation analysis, including economic life, contributory assets and synergies.

3.5. Bases of value shall be applied within the EVS-IA framework from the perspective of market participants, unless owner-specific assumptions are explicitly required.

3.6. In the EU context, regulatory frameworks - such as intellectual property law, licensing regimes, competition law constraints, and territorial enforceability - may influence the appropriate basis of value. The valuer shall consider whether statutory requirements or regulatory practice prescribe a particular base or preclude the use of owner-specific assumptions.

4. Equitable value

4.1. Definition

The estimated amount for which an intangible asset would exchange in an orderly transaction between identified, knowledgeable, and willing parties, reflecting their respective interests at the valuation date.

4.2. Application

4.2.1. Equitable value (also known as Fair value for non-financial purposes) may generally be used as a basis of valuation for intangible assets as between specifically identified participants in an actual or potential transaction. As such, it may often result in a different value from the Market Value.

4.2.2. Equitable value is particularly relevant where it is reasonable to expect that an identified buyer and seller would transact at an amount different from Market Value due to their respective interests, objectives, or constraints.

4.2.3. The essential difference between Equitable Value and Market Value definitions lies in the nature of the parties to the transaction: Equitable value contemplates identified parties and their respective interests; Market Value reflects the perspective of hypothetical market participants under general market conditions.

4.2.4. Unlike Fair value, Equitable value does not rely on a prescribed accounting framework or a hierarchy of observable inputs. It reflects the negotiated outcome between identified knowledgeable parties, taking into account their respective interests, constraints, and bargaining positions at the valuation date.

5. Fair value

5.1. Definition

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Definition from IFRS 13 Fair Value Measurement incorporated into EU law by Commission Regulation (EU) 2023/1803 of 13 August 2023.

5.2. Application

5.2.1. Although the definition of Fair value adopted within the framework of International Financial Reporting Standards (IFRS 13) primarily focuses on the measurement of assets and liabilities, including equity instruments, due to their significance in financial reporting, this definition also applies to the valuation of an intangible asset for financial reporting purposes.

5.2.2. The application of Fair value to an intangible asset is permissible and appropriate when required by the applicable accounting standards, including in the context of investments in subsidiaries, associates, or joint ventures where Fair value measurement is applied instead of the consolidation method (in accordance with IFRS 10 and IFRS 28).

5.2.3. In accordance with the IFRS 13 requirements, the determination of Fair value reflects the perspective of market participants. Therefore, when valuing an intangible asset, the valuer shall consider only those characteristics of the item being measured that market participants would take into account when pricing the item at the measurement date. These characteristics shall be relevant, observable, and available to market participants, thereby excluding entity-specific factors not reflected in market transactions.

5.2.4. While it is generally reasonable to expect that Market Value and Fair value will produce similar outcomes, valuers shall be mindful of the key distinctions between these bases of value:

- Fair value incorporates synergies that are available to identifiable market participants but would not necessarily be reflected in a transaction on the open market,
- Fair value reflects the perspective of a specific buyer for internal financial reporting purposes, particularly when this buyer is not representative of the open market,
- Market Value excludes or discounts speculative or uncertain income streams, or adopts a more conservative stance based on general buyer caution, whereas Fair value (under IFRS 13) may include such income streams if they are observable, justifiable, and consistent with the behaviour of informed market participants.
- Size-related discounts or premiums, such as blockage factors, and modifications to quoted prices from active markets are excluded from fair value.

5.2.5. These differences between Market value and Fair value concepts can result in materially different valuation conclusions, especially when assessing income projections, risk profiles, or strategic advantages.

6. Synergistic value

6.1. Definition

Synergistic value, in the context of an intangible asset, is the value arising from combining the asset with other assets, systems, or activities, where such

interaction enhances the economic benefits generated beyond those achievable by the asset in isolation.

6.2. **Application**

6.2.1. Synergistic value is a relevant consideration in the valuation of intangible assets, particularly when the asset is expected to generate value beyond its standalone use. It reflects incremental benefits arising from the integration, exploitation, or combination of the intangible asset with other assets, capabilities, or market positions of the owner or acquirer. Synergistic value may arise from:

- **Operational synergies:**
  Enhanced economic performance of the intangible asset due to improved utilisation, scalability, or complementary integration with existing products, technologies, brands, distribution networks, customer relationships, or operational platforms. These synergies may result in increased revenues, accelerated market penetration, extended economic life, improved margins, or higher growth prospects attributable to the intangible asset, translating into higher expected cash flows generated by the asset.
- **Financial synergies:**
  Value effects arising from the ownership structure or financial position of the holder of the intangible asset, such as improved access to financing, enhanced risk diversification, tax efficiencies, or optimisation of capital allocation linked to the exploitation of the intangible. These synergies may be reflected either in higher expected cash flows attributable to the intangible asset or in lower asset-specific discount rates, where justified.

6.2.2. In valuations of intangible assets on a Market Value basis, entity-specific or buyer-specific synergies are generally excluded. Synergistic value should be considered only where such synergies are attributable to the intangible asset itself, transferable with it, and reasonably expected to be realised by typical market participants under normal market conditions. The valuer should adopt synergistic value only where reliable and supportable evidence exists, based on management information or other credible sources, or where a special assumption is expressly instructed.

6.2.3. Where used, synergistic value should be declared in the Valuation Report, describing the nature of the synergies, associated costs, expected timing and probability, and the approach taken to avoid double counting.

7. Investment value

7.1. **Definition**

The value of an intangible asset to a particular identified party for investment and/or operational purposes, reflecting that party's specific assumptions, objectives, and constraints.

7.2. **Application**

7.2.1. Investment value is based on the investor's specific assumptions and interests, which are usually different from the market participant view and current market expectations.

7.2.2. This subjective basis of value relates a specific intangible asset to a specific investor, group of investors, or entity with identifiable investment objectives and/or criteria. The selection of the Investment value basis is driven by the particular context of the valuation. Relevant criteria may include transaction-specific circumstances (such as mergers and acquisitions, business combinations, licensing arrangements, or strategic investments), the investor's specific objectives (e.g. strategic growth, market entry, technology acquisition, vertical or horizontal integration), or investor-specific regulatory, contractual, or tax considerations.

7.2.3. Investment value determines the value of an intangible asset to a particular investor, reflecting that investor's actual circumstances and expectations, rather than those of a hypothetical market participant. This includes internal decision-making, strategic planning, make-or-buy assessments, and valuations where synergies or proprietary operational capabilities are central to the economic rationale. The valuer shall clearly distinguish owner-specific benefits from market participant assumptions and clearly state and explain that such benefits may not be transferable.

7.2.4. The valuer shall avoid embedding investor-specific synergies or entity-specific efficiencies within the intangible asset's value unless these arise directly from the inherent economic characteristics of the asset itself.

7.2.5. A Valuation Report prepared on the basis of investment value may differ from one based on Market Value. It shall make clear that it is prepared only for the particular party to whom it is addressed, that it contains specific requirements and assumptions relating solely to that party and that it is not to be relied on by third parties. The report shall record the criteria required and the information provided by the instructing party.

8. Liquidation value

8.1. Definition

Liquidation value is the estimated amount recoverable from the disposal of a specific intangible asset under a defined liquidation scenario (i.e. orderly or forced sale), net of all directly attributable liquidation costs.

8.2. Application

8.2.1. The Liquidation value reflects the proceeds expected from the piecemeal or collective disposal of the intangible asset, understood as the disposal of individual rights, components, or economically separable elements of the asset, or alternatively as a disposal of the asset as an integrated bundle of rights, having regard to its transferability, legal enforceability, and remaining economic usefulness under the assumed liquidation conditions.

8.2.2. Liquidation value applies where the valuation of a specific intangible asset is undertaken under an assumed liquidation scenario, or where the outcome of the highest and best use analysis performed by the valuer clearly indicates that the value recoverable from disposal of the intangible asset exceeds the value derived from its continued holding, use, or exploitation under the existing or most probable use framework.

8.2.3. Liquidation value is typically applied under assumptions where the continued holding, use, or exploitation of the intangible asset is not assumed, including, but not limited to, liquidation, enforcement, or insolvency-related procedures affecting the asset's owner.

8.2.4. There are two scenarios of the liquidation value concept that can result in different valuation figures:

- **Orderly Liquidation Value (OLV)** assumes appropriate marketing time and typical sale processes for the intangible asset, supported by market evidence
- **Forced Liquidation Value (FLV)** assumes lack of appropriate time for marketing and other seller constraints, typically resulting in lower proceeds than under an orderly process.

  Under the Forced Liquidation scenario, the valuer estimates the amount for which the subject of valuation would be sold at an auction. The liquidation procedure is based on a short time frame and attracts a small pool of buyers.

8.2.5. The need for a valuation on a forced sale basis usually arises when the seller is under compulsion to sell, is desperate to sell or a strict time limit is otherwise imposed. When assessing the Forced Liquidation Value, the valuer may apply a reduction in the form of a forced sale discount to the observable market price of the intangible asset. For intangible assets without liquid markets, the valuer shall consider observable prices on markets where similar intangible assets are traded or model calculations using observable market parameters, with appropriate illiquidity discounts.

8.2.6. Where the legal or contractual rights associated with an intangible asset, or with its ownership structure, permit the asset to be disposed of through liquidation or similar enforcement mechanisms, the valuer may perform a highest and best use analysis to assess whether disposal of the intangible asset yields a higher value than its continued holding, use, or exploitation, subject to any applicable legal restrictions.

8.2.7. In assessing the liquidation value of a specific intangible asset, the valuer shall consider the applicable insolvency and enforcement framework under the relevant national law, including procedures governing the disposal or transfer of intangible assets, and any legal or contractual constraints affecting their realisation. The valuer does not provide legal advice or assurance of legal compliance and, where appropriate, relies on legal advice or representations provided by the

instructing party; any related assumptions shall be clearly disclosed in the Valuation Report.

8.2.8. Liquidation value shall be reported net of liquidation costs, including third-party fees, legal and administrative costs, and any taxes or levies directly attributable to the disposals.

9. Collateral realisation premises

9.1. Where the purpose of the valuation involves the potential use of an intangible asset as collateral in a financing arrangement, the valuer shall assess the value of the intangible asset under collateral realisation premises, having regard to its recoverability, transferability, and realisation characteristics under a hypothetical enforcement scenario, and shall select the appropriate basis of value accordingly.

9.2. Under collateral realisation premises, the valuer shall consider, analyse, and, where material, document the following factors, irrespective of the specific basis of value selected:

(a) Transferability and enforceability under third-party control

The valuer shall assess whether the intangible asset can be effectively transferred, licensed, or otherwise realised by a market participant independent of the current owner's organisational capabilities. This assessment shall include consideration of legal rights, contractual restrictions, technical dependencies, renewal mechanisms, and other vulnerabilities that may limit third-party exploitation following enforcement.

(b) Recoverable economic benefits

Expected cash flows attributable to the intangible asset shall reflect only those economic benefits that a market participant could reasonably obtain through sale, licensing, or use of the asset under collateral realisation conditions. Owner-specific synergies, goodwill-related contributions or non-transferable operational advantages shall be excluded.

(c) Evidence hierarchy and market depth for realisation

Market evidence reflecting pricing behaviour for comparable or functionally similar intangible assets under constrained or enforcement-driven conditions is of particular relevance. Income-based indications shall rely on observable market-participant inputs, while cost-based indications may be considered only as lower-bound references where market and income evidence are insufficient.

(d) Risk and discounting under enforcement uncertainty

Risk assessment and discounting shall reflect asset-specific risks relevant to collateral realisation, including legal enforceability, technological obsolescence, market depth, competitive dynamics, and counterparty or licensing risk arising under enforcement or distressed sale conditions.

(e) Realisation timeframe and liquidity considerations

The valuer shall consider the expected timeframe required for a market participant to realise the intangible asset - whether through sale, licensing, or

interim exploitation - and assess how timing constraints affect economic life, value erosion, and recoverability of benefits.

9.3. Under collateral realisation premises, Market Value may be considered only as a reference point, where relevant, but shall not be applied as the basis of value where enforcement, forced realisation, or other forms of compulsion are assumed. In such circumstances, the valuer shall adopt a basis of value consistent with the realisation conditions, such as liquidation value or disposal value, as appropriate.

10. Non-going-concern premises

10.1. Non-going-concern premises (such as liquidation, replacement, and recovery) constitute a valuation framework that applies across different bases of value when the continued operation of the entity or the continued use of the intangible asset is not assumed, including situations involving insolvency, restructuring, or recovery of asset value.

10.2. Under non-going-concern premises, goodwill has no economic value. Only identifiable intangible assets with separable commercial utility may be valued.

10.3. The valuer shall adjust economic life, contributory asset interactions, and risk assessment to reflect that future earnings from continued operations are not assumed.

10.4. Replacement or recovery premises require the valuer to assess the future utility of recreating the intangible asset, not its past development costs.

11. Documentation and consistency

11.1. The valuer shall state the basis of value explicitly, justify its selection and ensure its consistent application across all approaches and methods.

11.2. Where multiple bases of value are required, the valuer shall apply each base independently and avoid cross-contamination of assumptions.

11.3. Assumptions that materially influence the valuation outcome shall be supported by verifiable evidence and disclosed with sufficient clarity, completeness and transparency to enable an independent reasonableness assessment.

EVS-IA 3 The Qualified Intangible Asset Valuer

1. Introduction

For a client to be able to rely on a valuation, it shall be professionally prepared by a suitably skilled, competent, and experienced intangible asset valuer able to give an objective opinion.

2. Scope

This Standard requires that the valuation be undertaken by a qualified intangible asset valuer ("intangible asset valuer" hereafter refers to a "qualified intangible asset valuer"). All intangible asset valuers contributing to a report shall have sufficient expertise and work to professional standards and, where they consider valuation issues, shall meet the requirements of this Standard.

3. General

3.1. A valuation shall be undertaken by an intangible asset valuer having the professional knowledge, competence, and ability to give an objective opinion consistent with the requirements of EVS-IA including the European Valuers' Code of Conduct.

3.2. When expertise beyond the intangible asset valuer's competence is required, in order to avoid confusion as to responsibilities and potential issues of contractual liability, valuers are advised that the client should, wherever possible, instruct the expert directly, rather than the valuer instructing the expert.

3.3. Valuations which are to be in the public domain, or which will be relied on by third parties, are frequently subject to statute or regulation. There are often specific requirements that an intangible asset valuer shall meet in order to be deemed suitable to provide a truly objective and independent opinion of value. However, there are no specific statutory or regulatory criteria for most valuations, and it will therefore be for intangible asset valuers to satisfy themselves that they possess the requisite skills, knowledge, competence, and independence for each instruction undertaken.

3.4. In all cases, the onus is on the intangible asset valuer to ensure awareness of any potential conflicts of interest and compliance with the requirement of independence (see Code of Conduct).

4. The Qualified Intangible Asset Valuer

4.1. Definition

A qualified intangible asset valuer is a natural person, whether self-employed or employed by a valuation company or other legal entity, who is responsible for undertaking intangible asset valuations and who can demonstrate:

- The holding of:

  - a university degree in a business-related field (i.e., management, economics, finance or accounting) and/or a Master of Business Administration (MBA) or other higher business degree from an accredited university or
  - a university degree not related to economics, finance, or accounting and a post graduate qualification that meets TEGOVA's Educational Requirements for Business Valuers (TER-BV) or
  - an internationally recognised professional finance certificate and/or intangible asset valuation certificate.
- Intangible asset valuation experience covering a period of not less than three years and knowledge of the specific industry, market, etc., relevant to the valuation,
- Adherence to the European Valuers' Code of Conduct or to another equally stringent ethical code,
- The holding of professional indemnity insurance appropriate to the intangible asset valuation work undertaken.
- Enhanced competence - qualified intangible asset valuers must maintain and enhance their professional knowledge through a relevant programme of continuing education.

- Where required by home country national legislation or regulations, any licence / certificate to practise as an intangible asset valuer or membership of a professional association.

5. Application

5.1. General

Intangible asset valuers shall ensure that they meet the requirements of the instruction with professional standards of knowledge, competence and independence. It follows that an intangible asset valuer who is asked to undertake an instruction shall make initial enquiries of the client as to the nature of the instruction and purpose of the valuation. Confirmation of the details of the instruction shall be required in writing, as shall the provision and acceptance of terms of engagement. The valuer shall be able to meet the requirements of the client and adhere to the regulation relevant to the task.

5.2. Independence of the valuer and conflicts of interest

5.2.1. Any actual or potential conflict shall be disclosed in writing to the client, who may then choose whether or not to confirm the appointment. In the event of confirmation, the circumstances of the conflict shall be clearly stated in the Valuation Report.

5.2.2. There may be circumstances where the intangible asset valuer, despite the client's wishes, will still decline to accept the instructions.

5.2.3. Where joint intangible asset valuers are appointed, each is subject to the same requirements of independence and objectivity set out above.

5.3. The intangible asset valuer's liability

5.3.1. The intangible asset valuer has been instructed to undertake a professional task, advising as to the value of an intangible asset on which

the client can expect to rely in taking decisions. Thus, the valuer's role is one that potentially carries liability, as deficiencies may result in loss to the client and legal action against the valuer.

5.3.2. According to circumstances and the national legal system, that liability may arise where loss follows a failure to apply skill and care, breach of contract or otherwise.

5.3.3. The extent of that liability may be defined by the written instructions and the terms of engagement as well as by the drafting of and the qualifications in the Valuation Report.

5.3.4. Intangible asset valuers may seek to limit their liability in the terms of their contracts with clients. Unless it is clear that a third party needs to have access to the report, its use could be limited to the client and liability to third parties expressly excluded.

5.3.5. However, in a number of countries there are strict limits, statutory or otherwise, to the limitation of liability and, before attempting to draft clauses intended to do this, intangible asset valuers are advised to take legal advice as to the likely effect of any limitation clauses.

5.3.6. As professionals, intangible asset valuers' fundamental duty is to their clients. Any limitations on their liability should not be at the expense of the professionalism of the valuation.

5.3.7. Professional indemnity insurance — As the level of liability for the intangible asset valuer that could arise from a valuation (together with any costs of associated legal action or interest accruing over the period of a dispute) may often be greater than the valuer's personal or corporate assets, professional indemnity insurance is available in many countries. Recognising that such cover is an assurance to the client, many professional associations make the maintenance of appropriate cover a condition of qualified membership. However, it is not universally available or required in all countries in which it is available.

EVS-IA 4 The Valuation Process

1. Introduction

A valuation shall be professionally prepared with the intangible asset valued and all available evidence considered, so that the result can be sustained under challenge.

2. Scope

This Standard considers the procedural steps followed in preparing the Valuation Report, starting with terms of engagement; it continues with data gathering, analysis, financial analysis, modelling, and application of appropriate valuation approaches and methods, and then reviews verification of the value estimate and data retention.

3. Terms of engagement

3.1. Terms of engagement are the specific terms of the contract between the valuer and the client. These terms are submitted to the client or prospective client once verbal or written instructions are received for the provision of a valuation service. Specific terms are prepared for each instruction, clearly and accurately reflecting the nature and purpose of the valuation and the extent of investigation to be undertaken to justify the subsequent opinion of value reported.

3.2. Detailed terms of engagement shall be agreed in writing.

3.3. The main agreed terms or instructions shall be referred to in the Report.

3.4. Terms of engagement as agreed may require subsequent amendment, and any amendments shall be recorded in writing to avoid misunderstanding and any consequential dispute.

3.5. Failure to issue written terms will result in non-compliance with EVS-IA. This may also result in an inadequate defence in any legal action relating to fees, negligence, or performance.

3.6. The minimum terms to be submitted and agreed are:

- The client's identity,
- Any user of the Report other than the client,
- The purpose of the valuation,
- The precise extent of the intangible asset being valued,
- The basis or bases of value,
- A specific date of valuation,
- A statement that no potential conflict of interest exists. A declaration of any previous involvement with the entity or the parties involved,
- The valuer's identity and status,
- Assumptions and special assumptions,
- Scope and extent of investigations,

- Reliance placed on information provided by the client,
- Reliance upon the services of other professionals,
- Any restriction placed on publication,
- The extent to which a duty of care will be provided,
- Compliance with EVS-IA,
- The fee for valuation services.

3.7. Terms as set out above shall be regarded as the minimum terms.

3.8. Valuers are expected to revise and expand terms as appropriate or necessary to reflect the law, custom or the requirements of the professional organisation.

4. Liaison with client's advisers, auditors and others

4.1. The valuer may need to liaise with the client's other advisers to secure the necessary information. Where the valuation is required for inclusion in financial statements, it will be important to liaise closely with the auditors to ensure that the work undertaken is what is required, and to ensure consistency and the use of an appropriate basis of value.

4.2. The professional judgement of the valuer will determine whether reliance is placed on information provided or disclosed. Terms of engagement agreed shall explicitly state what, if any, reliance is placed on information provided by the client, the client's representatives, or third parties.

5. Application

5.1. Unexpected events such as legal disputes may occur many years after the original valuation instructions have been completed. The historic context and reasoning behind any special terms and conditions may then be difficult to recall unless they were contemporaneously recorded in writing. Such a record will also show whether the valuation has been used for purposes other than that for which it was prepared.

5.2. A clear and concise record prepared and agreed in advance of the work also ensures that clients and their professional advisers are able to judge whether what they are to receive is what they wanted and expected.

5.3. **Sub-contracted valuations -** Intangible asset valuers often rely on the services of other professionals. Prior approval shall be obtained from the client where work is sub-contracted to other specialist valuers or where other substantial third party professional assistance is necessary. This approval shall be recorded in writing from the client and disclosed in the Valuation Report.

5.4. **Valuations passed to a third party -** There is a risk that valuations prepared for one purpose may be passed to a third party and used for another unrelated purpose. The terms of engagement shall therefore exclude liability of the valuer vis-à-vis third parties and shall specify the restricted nature of the valuation which is for the sole purpose of the client.

5.5. **Valuations not in line with EVS-IA -** A valuer asked to carry out a valuation on a basis that is not in line with this Standard shall advise the client at the

beginning of the assignment - or during the valuation process if the valuer recognises such situation at that point - that the Report will be qualified to reflect the departure from EVS-IA.

5.6. **Valuations carried out with limited information or where special assumptions are necessary -** A situation may arise where there is limited information - which might be very important for the valuation analysis and valuer's judgment - or no access to the company management or owner, or where restricted time is available to the valuer. In such cases, the valuer shall ensure that the terms of engagement agreed confirm that the valuation will be conducted with such limitations and the Report shall clearly explain the specific limitations.

5.7. A valuer may be required to value on the basis of special assumptions by the client. In such circumstances it is essential that the terms of engagement state clearly that the Valuation Report, and any publication based on it, will set out in clear terms the instructions relating to the valuation, the purpose and context of the valuation, the extent to which enquiries have been restricted, the special assumptions that have been made, the dependence that has been placed on the accuracy of the sources of information used, and the extent of any departure from this Standard.

5.8. **Using external data sources -** The valuer is expected, as a matter of professional diligence, to undertake a thorough investigation of the subject business to develop a reliable and fit-for-purpose business model based primarily on entity-specific data. However, there are cases where the valuer may be unable to obtain detailed internal financial information, or where certain assumptions – such as macroeconomic projections or industry-average indicators – may be supplemented from third-party sources. In addition, the use of external data may be inherently required by the valuation methodology selected (notably in market-based or comparable approaches).

5.9. When using external data sources, the valuer shall:

- Clearly document the decision to use external data
- Identify and describe the specific external source(s) relied upon
- Provide justification for the selection of the particular data source(s) based on relevance, reliability, and general acceptance within the valuation framework
- Include an explicit statement in the Valuation Report that the valuer's responsibility does not extend to the accuracy or completeness of third-party data sources used.

6. Purposes of valuation

6.1. Valuers should know the purpose of the valuation to enable them to address all issues relevant to the project. The purposes for which the valuation of an intangible asset may be required include, inter alia:

- Transactional purposes,
- Financial reporting,

- Legal, taxation, and regulatory purposes,
- Internal decision-making,
- Insolvency and financial distress procedures,
- Lending, collateralisation and credit risk assessment,
- Investment evaluation, IP portfolio management and capital allocation,
- Dispute resolution and litigation support,
- Insurance and risk management,
- Licensing, transfer pricing and royalty determination.

6.2. The valuer shall undertake investigations to the extent necessary to produce a professional valuation for the purpose instructed.

7. Business and market analysis

7.1. **The importance of analysing the business and market -** Where applicable, the valuer shall obtain, evaluate, and integrate information relating to both the internal and external environment in which the intangible asset is developed, used, protected, or exploited, and reflect these findings within the financial and operational modelling that supports the valuation conclusion. This process shall ensure that the valuation reflects the specific characteristics, opportunities, and risks associated with the intangible asset's context.

7.2. **Internal environment -** The valuer shall assess factors internal to the business to the extent necessary to support the valuation of the intangible asset, including but not limited to:

- **Business model and revenue generation structure:**
  The nature of the entity's business model, sources of revenue, pricing mechanisms, cost structure, scalability and operating leverage,
- **Organisational capabilities and operating platform:**
  Management structure, workforce composition, governance arrangements, and technological or operational infrastructure that support the development, maintenance, and commercial exploitation of the intangible asset,
- **Historical and projected business performance:**
  Historical and forecast financial performance of the business or relevant business unit, including revenue trends, profitability, capital expenditure, and working capital requirements,
- **Asset base and contributory asset relationships:**
  Tangible and intangible assets employed in the business, including intellectual property, brands, data, customer relationships and operational assets,
- **Operational and business risks:**
  Internal risk factors affecting the business and its activities, including customer concentration, supplier dependency, key personnel risk, technological reliance or operational constraints.

7.3. **Analysis of financial statements for intangible asset valuation purposes -** As part of the valuation process, the valuer shall analyse and, where necessary, adjust the financial statements of the subject business and of comparable entities to ensure a consistent and appropriate basis for valuation. In an intangible asset valuation context, financial statement analysis includes, where relevant:

- adjustment of historical financial statements for valuation purposes, including normalisation and reclassification of items relevant to the valuation inputs; such adjustments shall be documented and disclosed in the Valuation Report,
- mark-to-market assessment where required
- analysis of the profit and loss statement, balance sheet and cash flow statement to identify revenue patterns, cost structures, cash flow characteristics and trends relevant to the valuation of the intangible asset.

Financial statements shall be analysed in both absolute monetary terms and in relative terms, including trend and ratio analysis, where appropriate.

7.4. **External environment -** The valuer shall analyse the external macroeconomic, industry and market conditions that may influence the economic performance, risk profile and value of the intangible asset, including:

- **Macroeconomic context:**
  Inflation, interest rates, exchange rate exposure, and GDP trends in relevant jurisdictions,
- **Industry landscape:**
  Competitive intensity, market size and growth, regulation, and technological disruption,
- **Regulatory and legal factors:**
  Jurisdictional compliance requirements, policy changes, and licensing frameworks,
- **Market sentiment and capital availability:**
  Access to funding, investor confidence, and systemic risk conditions.

7.5. **Business modelling -** Business modelling shall be a critical procedure in the application of income-based valuation approaches and shall otherwise be applied to the extent necessary to support the selected intangible asset valuation approach. The valuer shall model the relevant business activities and financial drivers to the extent necessary to derive the economic benefits attributable to the intangible asset, such that the estimation of growth components (including revenues, margins, depreciation, capital expenditure, and working capital) is based on a consistent and coherent modelling framework.

7.6. Projections shall be based on the analysis of the business, economy, industry, market, historical performance, financial statements and, where available, management plans, insofar as such information is relevant to the valuation of

the intangible asset. The valuer shall present and support the key assumptions used in the projections.

7.7. **Integration into modelling -** The valuer shall ensure that insights derived from the internal and external environment are incorporated into the underlying model used to value the intangible asset. Specifically:

- Financial forecasts (e.g. revenue base, margins, capital requirements) shall reflect assumptions consistent with the economic role, use and exploitation of the intangible asset and grounded in the environmental analysis.
- Discount rates, capitalisation rates, and valuation multiples shall be aligned with the risk and growth characteristics relevant to the intangible asset, having regard to its legal protection, economic life, market position and dependency on supporting assets.
- Scenario and sensitivity analyses, where conducted, shall assess the robustness of the valuation outcomes under plausible changes in assumptions affecting the intangible asset or its operating context.

7.8. **Documentation requirements -** The valuer shall document in the Valuation Report:

- the key findings of the internal and external environmental analysis relevant to the intangible asset
- the way these findings have informed or modified the modelling assumptions used in the valuation
- the data sources, assumptions, and rationale applied in building and using the model
- any limitations, uncertainties or material risks associated with the modelling approach and its impact on the valuation of the intangible asset.

8. Choice of the appropriate valuation approaches and methods

8.1. The choice of appropriate valuation approach(es) shall be consistent with the basis of value and purpose of the valuation. There are three main approaches used for an intangible asset valuation:

- Income Approach
- Market (Comparison) Approach
- Asset-based Approach.

8.2. Within these three basic valuation approaches, various valuation methods are used, depending on the nature of the intangible asset, the purpose of the valuation, market characteristics, available data, etc.

9. General observations

9.1. Intangible asset to be valued - Depending on the purpose of the valuation, the subject of the valuation shall be a specific identifiable intangible asset or a defined bundle of rights relating to an intangible asset (such as ownership rights, usage rights, licensing rights or other contractual interests).

9.2. The valuation of an intangible asset or of rights relating to an intangible asset shall consider, inter alia, the legal and contractual framework governing the asset, including ownership and usage rights, exclusivity provisions, licensing terms, transfer restrictions, duration, territorial scope and any other contractual or legal features that may influence value.

9.3. In the valuation process, it is necessary to consider the nature and extent of the rights that are the subject of valuation. Depending on the valuation approach applied and the characteristics of the rights valued, adjustments may be required to reflect differences in control, exclusivity, scope, or limitations of use, where such differences materially affect the economic benefits attributable to the intangible asset.

10. Valuation uncertainty

10.1. At the valuation date, the valuer shall assess valuation uncertainty arising from (i) the availability and quality of evidence, (ii) model dependence and parameter dispersion, and (iii) market conditions (e.g. thin/volatile markets, structural breaks).

10.2. Where uncertainty is material to the context of the intended use of the valuation, the valuer shall reflect it by:
(a) reporting a reasoned range and/or scenario analysis, and/or
(b) including a material-uncertainty statement in the Valuation Report.

10.3. Valuation uncertainty concerns the measurement of value at the valuation date and is distinct from the risks that are already reflected in cash flows, discount rates, or pricing multiples.

11. Risk and discount/capitalisation rates (principles)

11.1. The valuer shall disclose the construction of discount and capitalisation rates, including, where applicable, the risk-free rate, equity risk premium, country/sector-specific premia, size effects, beta and leverage assumptions, the target capital structure, and tax rate. For cross-border valuations, the treatment of currency and inflation shall be consistent between cash flows and rates. Sources, estimation choices, and any calibration performed shall be stated succinctly.

11.2. Where discount or capitalisation rates are derived for the valuation of an intangible asset, the valuer shall adapt the rate construction to reflect asset-specific risks and economic characteristics and shall use business-level inputs only to the extent relevant.

12. Conclusion on opinion of value

12.1. The final valuation result is usually expressed as a single value. However, depending on the purpose of valuation and if it is provided for in the terms of engagement, the final opinion of value may be stated as a range of values. In such case the valuer shall state a reasonable range of values and explain the rationale in the Valuation Report.

12.2. The overall conclusion on the opinion of value should be consistent with:

- The basis of value
- The purpose and intended use of the valuation
- the specific intangible asset, or the defined bundle of rights relating to the intangible asset, that is the subject of valuation.

13. Supporting the valuation

13.1. Data retained following the submission of a valuation shall be sufficient to enable verification that the analysis and evaluation undertaken in the approach, or approaches, to providing the opinion of value reported were sufficient for the type and scale of valuation.

13.2. Figures reported shall be supported, not just stated. The valuation is the culmination of the valuer's investigations and research that demonstrates his or her skill in collating data from various sources, using that information efficiently and providing a considered professional opinion.

EVS-IA 5 Reporting the Valuation

1. Introduction

The valuation, as determined by the valuer, shall be clearly and effectively conveyed to the client and its intended users. The Valuation Report is the document on which the client will rely in taking decisions. It is therefore important that it be accurate. Any caveats and reservations expressed therein shall also be precise.

2. Scope

This Standard deals with the Valuation Report in which the valuer informs the client of the value concluded.

3. Valuation Report

3.1. Definition

The Valuation Report is the comprehensive communication of the valuer's professional judgment of value to the client. It is a document detailing the scope, key assumptions, valuation methods, and conclusions of an assignment. The Report provides a professional opinion of value supported by a recognised basis or bases of valuation within the framework of the European Intangible Asset Valuation Standards.

3.2. General

3.2.1. A Valuation Report shall be in writing, prepared, and presented in a reliable and comprehensible manner for clients and users.

3.2.2. The Report shall record the instructions for the assignment, the basis and purpose of the valuation, the applied analytical processes, valuation methodology, and the results of the analysis that led to the opinion of value.

3.2.3. The Report shall provide a clear and unequivocal opinion as to value, at the date of valuation, with sufficient detail to ensure that all matters agreed with the client in the terms of engagement and all other key areas are covered.

3.2.4. The Report shall not be ambiguous, shall not mislead the reader in any way or create a false impression.

3.2.5. The Report shall be objective and impartial. Decisions may be made and finances committed or withdrawn on the strength of it. If the valuer has strong opinions about the merits or weaknesses of the subject intangible asset, these should be expressed in a reasoned and objective way that will enable the reader to understand the conclusions reached.

3.2.6. Where the valuer has been instructed despite a potential conflict of interest, that potential conflict shall be stated with a record that it was notified to the client along with details of the measures taken to ensure that the potential conflict did not adversely affect the valuer's objectivity.

4. Contents of the Valuation Report

4.1. 4.1. The form and detail of the Report will be a matter for the valuer's discretion but shall meet the specific instructions from the client and have regard to the purpose of the valuation and the use that the client proposes to make of it. A Valuation Report shall adequately report all matters set out within the terms of engagement.

4.2. Special issues - In some cases it may be necessary to refer to the special issues which would usually have been recorded within the terms of engagement, for example:

- Any special, synergistic or complementary value associated with the intangible asset, and whether such value is transferable to a third party upon transfer, licence or assignment,
- Any unusual market conditions at the valuation date, and whether valuation uncertainty relating to assumptions, projections or market conditions has been reflected in the opinion of value,
- Any recent or proposed changes affecting the intangible asset, including its legal protection, permitted use, transferability or economic exploitation, and the extent of any resulting impact on value.

4.3. Valuers shall confirm whether in undertaking the valuation they have become aware of matters that could affect the value reported. Such matters might include pending litigation or, pending expiry of the certificates and licenses required by authorities to run the business or for the lawful use, exploitation or operation of the intangible asset.

4.4. As the valuations are prepared with reference to a specific date of valuation, the valuer shall state that the valuation is valid at this date only.

4.5. All Valuation Reports shall include a statement to the effect that the valuer who signed it is responsible for the valuation to the client and has conformed to the requirements of these European Intangible Asset Valuation Standards. The valuer shall state the extent of, and reasons for, any departure from these Standards or state why any key part of the valuation process has been omitted.

5. Valuation review

5.1. A valuation review is an assessment of another valuer's report, not a revaluation, taking the form of a Valuation Review Report.

5.2. The review objective is to provide an assessment of the compliance of the valuation work under review with the European Intangible Asset Valuation Standards by:

- Examining the documents relied on and assessing their proper and accurate use,
- Identifying any nonconformities and their impact on the conclusions.

5.3. Apart from the elements needed to achieve the review objectives, the Valuation Review Report shall state at least:

- The identity of the client and other intended users

- The intended use of the review results
- The professional independence requirements based on which the reviewing valuer shall express an unbiased opinion with no influence from any third party
- Whether or not discussions with the original valuer have taken place
- The assumptions and special assumptions in the valuation review.

5.4. The scope of the review work shall be clearly stated, in a manner that shall not be misleading to either the contracting parties or any independent competent third party having legitimate access to the contract that covers the scope of work.

5.5. The Review Report shall be clearly presented and shall contain sufficient information so as not to mislead the client and the intended users about the review results.

5.6. The internal or external reviewing valuer shall be:

- A qualified valuer possessing a high level of professional knowledge and technical skill
- Independent from the valuer who originally performed the valuation
- In possession of (at least) all the facts and information relevant to the intangible asset on the date of valuation on which the first valuer relied. If the reviewing valuer does not have this information, or only partially, this shall be clearly stated.

A.2. EUROPEAN VALUERS' CODE OF CONDUCT

European Valuers' Code of Conduct

TEGOVA expects valuers in its member associations to adhere, as a matter of personal responsibility, to this Code which is founded on:

- The principles of professional behaviour and
- The expectation of clients that a valuation will be prepared professionally by a qualified valuer.

Valuers are to uphold and demonstrate professional standards in their work and so safeguard the trust placed in them by clients to whom a duty of care is owed, regulatory authorities, and, more generally, by society.

This TEGOVA Code embeds the values of:

- Fairness
- A proper professional respect for others and for standards
- Responsibility and trustworthiness

Such professional standards extend beyond the requirements of law (which bear on all persons) and require a duty of care to the client and respect for others, acting to the best of the valuer's ability without discriminating against individuals in respect of their nationality, ancestry, race or social origin, colour, religion, belief or political opinion, marital status, gender, gender expression or sexual orientation, age or disability.

A breach of this Code may give rise to disciplinary action by the relevant member association and possible loss of the valuer's status under TEGOVA Recognition Programmes.

The Code

A. The valuer shall act with honesty, integrity and diligence at all times with a duty of care to the instructing party and all others expected to rely on the valuation advice.

B. The valuer shall exercise professional judgement objectively and independently in undertaking work and, as relevant, honour the duties of a professional to a court, tribunal or equivalent forum.

C. The valuer shall maintain a level of professional knowledge and technical skill that is at least that required by the professional valuation body of which the valuer is a member, or, for valuers who are recognised by TEGOVA Recognition Programmes, by those requirements, keeping up to date with professional matters and relevant current developments so as to be competent in professional practice.

D. The valuer shall be transparent and accountable to clients in undertaking professional work for them.

E. The valuer must avoid all actual or potential conflicts of interest regarding the asset in question, the valuation process and the result of the valuation, must not have any direct or indirect interest in the asset and must not be related to either the buyer or the seller of the asset. The valuer must inform the instructing party in writing when a conflict of interest arises and before issuing the Valuation Report.

F. When the client commissioning the Valuation Report is a credit institution, the valuer must not be involved in the loan application, assessment, decision or administration and must not be guided or influenced by the borrower's creditworthiness.

G. The valuer shall not disclose privileged or confidential information.

H. The valuer must have or be subject to a procedure for handling complaints that may be made concerning professional conduct and must advise instructing parties in writing of its existence.

Where a valuation shall be signed in the name of a valuation company rather than by a named individual valuer, this Code applies to the company and also to any individual employed by the company to undertake valuation work.

B. GUIDANCE

B.1. VALUATION METHODOLOGY

Identification and Classification of Intangible Assets

1. Basic definitions (for valuation purposes)

1.1. **Intangible Asset**

An identifiable non-monetary asset, without physical substance, capable of generating or contributing to economic benefits and capable of being individually analysed.

1.2. **Identifiable**

A characteristic of an intangible asset indicating that its economic benefits, rights and dependencies can be delineated, described, measured and are, in principle, capable of being transferred or licensed independently from other assets or from goodwill, irrespective of whether the asset meets accounting or legal criteria for identifiability.

1.3. **Intellectual Property (IP)**

A legally protected intangible asset arising from statutory or regulatory rights, including but not limited to trademarks, designs, patents, copyrights, software rights, database rights, trade secrets and geographical indications.

1.4. **Intangible Economic Position**

A non-asset economic mechanism arising from the interaction of multiple assets, operations and user behaviours, which influences performance indicators such as growth, retention, monetisation efficiency or cost dynamics, but cannot be owned, transferred, licensed, recognised or measured as an individual asset.

It is a system-level value driver, not a separable resource, and therefore should not be treated as or confused with goodwill or any form of identifiable intangible asset.

1.5. **Composite Intangible Asset**

A set of interdependent intangible elements that together form a single economic asset whose value cannot be reliably allocated to individual components.

1.6. **Useful Life**

The period over which the intangible asset is expected to generate economic benefits for market participants, which may differ from legal life or accounting amortisation periods.

1.7. **Economic Owner**

The party that controls the economic benefits of an intangible asset, irrespective of whether legal title, registration or accounting recognition is held by another entity.

1.8. **Goodwill**

The residual economic value attributed to a business that cannot be allocated to identifiable intangible or tangible assets. Goodwill is not an identifiable intangible asset for valuation purposes.

1.9. **Contributory Asset**

An asset - tangible, intangible or financial - that is required for the subject intangible asset to generate economic benefits, and for which an economic return should be recognised in income-based valuation approaches.

2. General principles of identification

2.1. The correct identification of the valuation subject is a prerequisite for a credible valuation conclusion.

2.2. An intangible asset should be described in terms of its rights, boundaries, dependencies, economic functions and channels of benefit.

2.3. Identification is a professional valuation judgement and should not default to legal, managerial or accounting classifications.

3. Legally grounded intangible assets

3.1. When an intangible asset arises from a statutory or contractual right, identification begins with the instrument that creates or defines that right. Legally grounded intangible assets correspond to categories of intellectual property and related rights recognised within the EU legal framework and administered at EU or national level.

3.2. Categories include, without limitation:

(a) Trademarks and brand rights, including registered and unregistered marks protected through use, and associated brand identifiers.

(b) Designs, including registered designs at EU or national level and unregistered designs recognised under EU law.

(c) Patents and related rights, including supplementary protection certificates and utility models.

(d) Copyright and related rights, including rights in literary, artistic, audiovisual and other creative works, performers' and producers' rights, and broadcasting rights.

(e) Software rights, as protected under Directive 2009/24/EC on the legal protection of computer programs.

(f) Database rights, including the sui generis right established under Directive 96/9/EC on the legal protection of databases.

(g) Geographical indications and designations of origin, as recognised under EU and national legislation.

(h) Plant variety rights, as provided for under the EU plant variety protection regime.

(i) Trade secrets and confidential know-how, where protection arises under applicable trade secrets legislation.

(j) Licences, concessions and contractual exclusivities, where legally enforceable rights arise from contract and confer exclusive or restricted access, control, or exploitation.

3.3. The valuer should determine, at minimum:

(a) ownership and beneficial ownership
(b) territorial scope
(c) duration, renewal mechanisms and expiry
(d) enforceability and vulnerability
(e) regulatory constraints
(f) encumbrances, prior licences, security interests
(g) statutory limitations, including exhaustion or limited rights.

3.4. The legal classification of an asset does not predetermine its economic value, separability or useful life.

4. Accounting intangibles

4.1. Accounting recognition may assist identification but is not dispositive for valuation.

4.2. Assets recognised under IFRS or other frameworks may represent only part of the economic position relevant for valuation.

4.3. Conversely, valuable intangible assets may exist that are not recognised for accounting purposes, including:

(a) internally developed technology
(b) unregistered brands
(c) data and datasets
(d) internally developed software
(e) economic relationships that do not meet separability criteria.

4.4. Valuation focuses on the economic asset, not on accounting classification.

5. Intangible Economic Positions (non-legal, non-accounting)

5.1. Economic benefits often arise from intangible positions that do not constitute discrete legal rights.

5.2. Examples include:

(a) data assets and digital infrastructures
(b) trained algorithms, AI systems and model weights
(c) digital platforms and network effects
(d) user or customer attention
(e) proprietary processes
(f) organisational know-how.

5.3. Intangible economic positions should not be valued as standalone intangible assets. Their economic effect should be reflected indirectly, through their impact on projected cash flows, growth patterns, margins, capital requirements, and risk assessments, where:

(a) they provide or support economic benefits

(b) they can be sufficiently described and analysed for valuation purposes and

(c) market participants would consider them relevant when assessing value.

6. Composite intangible assets

6.1. Certain assets operate as integrated bundles of intangible elements.

6.2. The valuer should determine whether the elements:

(a) have independent utility to market participants, or

(b) function only as part of a unified economic asset.

6.3. Factors influencing this determination include:

(a) separability,

(b) transferability,

(c) dependence on complementary assets,

(d) differing useful lives or risk profiles.

6.4. Composite assets often require explicit recognition of contributory assets when applying income-based valuation approaches.

7. Distinguishing identifiable intangible assets from goodwill

7.1. Goodwill represents the residual value of a business after all identifiable assets and liabilities have been valued. It does not consist of identifiable components.

7.2. Certain economic characteristics commonly perceived as “intangibles” - such as assembled workforce, going-concern attributes, organisational cohesion or unidentifiable operational knowledge - do not meet the criteria for identifiable intangible assets. Their economic effect is reflected in goodwill as part of the residual value of the business, but they do not constitute separable components of goodwill.

7.3. Where the economic benefits associated with a position, capability or organisational factor cannot be reliably separated or valued on a standalone basis, such benefits are treated as contributing to the residual amount attributed to goodwill.

7.4. The valuation of goodwill is meaningful only under a going-concern premise, as goodwill reflects future economic benefits arising from the continued operation of the business. Under non-going-concern assumptions, goodwill has no economic value.

8. Useful life determination

8.1. The useful life of an intangible asset is an economic judgement that may differ significantly from legal life or accounting amortisation periods.

8.2. Key factors include:

(a) legal expiry and renewability
(b) technological change
(c) competitive dynamics
(d) dependence on complementary assets
(e) regulatory developments
(f) brand relevance, market retention and erosion.

8.3. The economic life of an intangible asset may be shorter than its legal life, particularly for technology-based assets. The valuer should adopt the economic life when market evidence indicates that commercial usefulness will cease earlier than the legal term. Legal life should not be used as a default assumption unless supported by clear evidence that market participants expect benefits to persist for the full legal duration.

8.4. Where an indefinite useful life is concluded, this judgement should be supported by evidence of sustained economic utility.

Evidence and Data Reliability Requirements

1. Purpose and principles

1.1. The valuer should base the valuation on evidence that is reliable, relevant and consistent with the valuation purpose. Evidence should be assessed according to its quality, completeness and alignment with market-participant behaviour.

1.2. Data selection should follow a transparent evidentiary hierarchy, giving priority to observable market information and clearly distinguishing between direct evidence, indirect indicators and assumptions.

1.3. Where evidence is incomplete, inconsistent, or influenced by non-market factors, the valuer should perform a reasoned assessment, apply adjustments where appropriate, and disclose limitations affecting reliability.

2. Evidence hierarchy

The valuation of intangible assets should follow a structured hierarchy of evidence:

a) Primary market evidence

Directly observable, market-based data including:

- arm's-length IP transactions
- licensing agreements entered into under competitive market conditions
- EUIPO or national IP office records where economic terms are disclosed
- comparable transactions with transparent price structures.

Primary evidence carries the highest reliability.

b) Secondary market indicators

Evidence that reflects market behaviour but is not asset-specific, including:

- royalty benchmark studies
- sector licensing norms
- market multiples of comparable companies
- published industry reports.

Secondary indicators require validation and cannot substitute for primary evidence without justification.

c) Inferential or model-derived evidence

Assumptions supported by economic logic, business modelling, or triangulation, including:

- implied royalty equivalents from profitability analyses
- user-value or unit-economics derived indicators
- reconstruction of licensing terms from observed business models.

These require clear reasoning and disclosure.

d) Hypothetical assumptions

Assumptions not directly supported by evidence but necessary for modelling, where data gaps exist. They should be limited, reasonable and explicitly disclosed.

3. Evaluating data reliability

3.1. Reliability assessment should consider:

- source credibility
- transparency of contractual terms
- economic context of the data point
- consistency with market-participant expectations
- regulatory or competitive constraints influencing pricing.

3.2. Evidence should be treated as less reliable, where:

a) terms are influenced by strategic motives, market distress or regulatory obligations
b) transactions include bundled assets or services that cannot be separated reliably
c) licensing terms are not observable or only headline rates are disclosed
d) confidentiality restrictions limit verification or interpretation.

3.3. Where reliability is uncertain, the valuer should either:

- adjust the evidence appropriately
- downgrade its evidentiary weight or
- exclude it with a supporting explanation.

4. EU-specific evidence considerations

4.1. EU regulatory structures, including competition law constraints, exhaustion rules, and territorial enforceability, may materially affect licensing terms and transaction pricing. The valuer should assess whether such influences reduce comparability.

4.2. Where transactions arise from competition law remedies or regulatory obligations, the valuer should examine whether they reflect unconstrained market pricing or require adjustment or supplementary justification.

4.3. GDPR, data-access rules, or sector-specific regulations may limit recreatability of data-driven assets or the economic utility of datasets. Evidence relying on restricted data should be analysed in this context.

4.4. EUIPO records, national IP office registries and public licensing databases may assist in verifying ownership, scope, duration and status. Where economic terms are absent, the valuer should avoid inferring pricing without reliable support.

5. Handling incomplete, inconsistent or conflicting evidence

5.1. Where incomplete market data, missing contractual details or inconsistent disclosures are encountered, the valuer should evaluate:

- whether the gaps materially affect valuation
- whether additional assumptions or triangulation are required
- the degree of uncertainty introduced.

5.2. If conflicting data sources exist, the valuer should:

- analyse the context of each data point
- identify which source better reflects market-participant behaviour
- justify the selection and weighting.

5.3. The valuer should not give undue weight to a single data point unless it is demonstrably the most relevant and reliable evidence.

Valuation Approaches

1. General principles

1.1. **Framework consistency**

The selection of valuation approach(es) shall be consistent with the basis of value, the market participant perspective, the highest and best use of the intangible asset, and the nature, completeness and reliability of the available information dataset, as set out in the relevant sections of these Standards.

1.2. **Approach suitability and limitations**

Suitability depends on:

- the nature of the rights
- availability and reliability of market data
- economic life considerations
- contributory asset interactions
- regulatory and technological uncertainty
- alignment with real-world pricing practices.

2. Applicability

2.1. **Market approach applicability**

Suitable when comparable transactions exist, royalty benchmarks are available, and the asset's characteristics are broadly aligned with market-traded assets.

2.2. **Income approach applicability**

The income approach should be selected when the economic benefits attributable to the intangible asset can be reliably isolated, projected and discounted. It is generally appropriate where market participants would expect the asset to generate identifiable future economic benefits, such as licensing income, pricing premiums, cost savings, user monetisation effects, technological advantages or enforceable contractual rights.

2.3. **Cost approach limitations**

Applicable only when the asset is replaceable, early stage, non-commercial or when economic benefits cannot be reliably projected.

3. Methodological variations and advanced techniques

3.1. The methods described in this second part represent the principal and most widely applied methodological frameworks for the valuation of intangible assets. They are presented in order to provide structured guidance and to promote due care and consistency in the exercise of professional judgement when applying valuation methods, rather than to constitute an exhaustive catalogue of techniques.

3.2. The selection of the appropriate valuation approach and method requires the exercise of professional judgement by the valuer, having regard to the nature of the intangible asset, the basis of value, the purpose of the valuation, and the availability and reliability of relevant data.

3.3. In practice, valuers may apply recognised methodological variations, hybrid techniques, probabilistic modelling tools, or industry-specific adaptations, where appropriate to the specific valuation context.

3.4. Such techniques should be conceptually consistent with one of the recognised valuation approaches and should not contradict the fundamental principles set out in EVS-IA.

3.5. The application of any methodological variation should be supported by transparent reasoning, appropriate evidence, and clear documentation in the Valuation Report.

4. Internal consistency, triangulation and reasonableness testing

4.1. **Internal consistency**

The valuer should confirm that all approaches used reflect compatible economic assumptions. Internal consistency serves to identify and explain differences, not to average results. Material discrepancies - arising from differing assumptions on economic life, risk, contributory charges or market evidence - should be analysed and reconciled with clear justification.

4.2. **Triangulation**

Triangulation requires:

(a) designation of a primary approach

(b) use of one or more benchmark approaches and

(c) analysis of implied assumptions. Secondary approaches should be applied to test whether the primary result aligns with observable market behaviour. Implied assumptions - such as royalty equivalents, margins, growth rates or risk premia - should be reviewed for economic plausibility and consistency with market evidence.

4.3. **Reasonableness testing**

Reasonableness tests support the credibility of the valuation outcome. These may include comparison with industry benchmarks, implied royalty cross-checks, discount-rate validation and consistency checks on economic life. Where tests reveal assumptions outside a defensible market range, the valuer should reassess and adjust inputs or methods, ensuring alignment with the chosen basis of value.

5. Qualitative assessment

5.1. Qualitative analytical considerations form a cross-cutting component of intangible asset valuation and apply to all valuation approaches. They support the

identification, interpretation and weighting of factors that shape how market participants would assess the characteristics, risks and economic potential of an intangible asset.

5.2. The valuer should consider, analyse and, where material, document the qualitative characteristics that influence the asset's economic behaviour, including but not limited to:

(a) Legal robustness and enforceability

The scope, strength and vulnerability of the underlying legal rights, including enforceability, potential challenges, renewal mechanisms, jurisdictional limitations, and exposure to revocation or invalidity actions.

(b) Transferability and separability

Constraints, dependencies or structural conditions that affect whether a market participant could exploit, licence or realise the asset independently of the current owner, including reliance on complementary assets, know-how, personnel or organisational infrastructure.

(c) Technology maturity, innovation cycle and obsolescence risk

The stage of development, dependability, scalability and anticipated evolution of technology-based assets, including potential obsolescence, competing technologies, and ecosystem compatibility.

(d) Market positioning and competitive dynamics

The relative differentiation, brand strength, market penetration, entry barriers, customer switching costs and competitive pressures relevant to the asset's ability to generate economic benefits.

(e) Regulatory and compliance considerations

Sector-specific regulatory pathways, certification requirements, approval uncertainty, territorial variations and the potential impact of policy changes on exploitation feasibility or timing.

(f) Economic life determinants

Factors influencing useful life, including legal duration, technological evolution, market cycle, consumption patterns and the durability or decay of future economic benefits.

(g) Evidence availability and market depth

The presence, quality and relevance of comparable transactions, licensing evidence, industry-benchmark data or other observable market inputs that inform assumptions under each valuation approach.

Income Approach – Methodological Application Framework

1. General principles

1.1. The income approach measures the value of an intangible asset by converting the future economic benefits it is expected to generate into a present value.

1.2. Economic benefits attributable to the intangible asset should be identified and separated from those arising from other assets, synergies, organisational capabilities or market-wide effects.

1.3. All assumptions - including growth, margins, customer churn, renewal, contributory interactions, discount rates and economic life - should be aligned with the selected basis of value and market-participant behaviour unless owner-specific premises are explicitly required.

1.4. The income approach should reflect legal, regulatory and technological characteristics, including enforceability, exclusivity, territoriality, technological cycles, competition dynamics and regulatory expiry.

2. Attribution of earnings to the intangible asset

2.1. Attribution should be consistent with the rights conferred under EU IP law, including statutory exclusivity, scope of protection, renewal mechanisms, statutory limitations and restrictions arising from licences or territorial segmentation.

2.2. The valuer should allocate benefits to the intangible asset only to the extent that they arise directly from the subject asset itself. Benefits supported by other assets should not be attributed to the intangible asset unless their economic contribution is demonstrably separable and supported by evidence.

3. Business model assessment

3.1. Before applying any income-based method, the valuer should analyse the business model through which the intangible asset generates or enables economic benefits. This assessment is fundamental to determining how value is created, transferred and sustained.

3.2. The business model should be used to identify the key value drivers associated with the intangible asset, including monetisation mechanisms, user dynamics, pricing logic, cost structures, regulatory dependencies and competitive responses.

3.3. Assumptions incorporated in the valuation should be consistent with the business model. Earnings, growth, margins, renewal patterns, customer churn, or cost savings should not be projected unless they are economically feasible within the defined model of operations and consistent with market-participant behaviour.

3.4. The business model assessment should distinguish between benefits attributable to the subject intangible asset and benefits arising from other assets, platform effects, organisational capabilities or goodwill. Only benefits directly enabled by the subject asset should be incorporated into the valuation.

3.5. Where multiple business models are possible (e.g. licensing, subscription, transaction-based, advertising-driven, hybrid models), the valuer should select the model consistent with the selected basis of value and the assumptions of market participants.

4. Key modelling components

4.1. **Economic life**

Economic life should reflect the period over which the intangible asset is expected to generate economic benefits. Legal life may not be determinative. The valuer should consider technological obsolescence, competitive entry, innovation cycles, regulatory exclusivity periods, user switching behaviour and commercial durability.

4.2. **Growth**

Growth assumptions should be based on evidence and consistent with product, technology or platform lifecycle stages. The valuer should avoid unsupported long-term growth or terminal assumptions that exceed market-participant expectations.

4.3. **Profitability and margins**

Where margins underpin the valuation, the valuer should apply margins consistent with market-participant economics, adjusting for competitive intensity, sector cost structures and contributory asset charges. Entity-specific efficiencies should be excluded unless investment value is applied.

4.4. **Taxes**

Tax assumptions should be aligned with the basis of value: market rates for market/fair value, and entity-specific rates only for investment value.

4.5. **Discount rates**

The discount rate should reflect the asset-specific risks of the intangible asset, including competitive exposure, regulatory uncertainty, technological maturity and concentration risk. Corporate WACC should not be applied mechanically where the asset's risk differs materially from the business as a whole.

5. Contributory Asset Charges (CACs)

5.1. CACs should reflect the return required by assets essential for the intangible asset to generate earnings. These may include tangible assets, workforce, software infrastructure, capital employed, data infrastructure or contractual rights.

5.2. CACs should be determined using market-based rates of return and should exclude owner-specific advantages unless investment value is explicitly required.

5.3. Contributory charges should only reflect identifiable assets that actively contribute to the earnings of the intangible asset. Goodwill, going-concern value or organisational value should not be embedded.

5.4. CACs should be consistent with the discount rate and risk assumptions applied in the valuation. The valuer should document the basis for each contributory charge, including benchmarks, comparables or sector evidence.

6. Core application methods

6.1. Within the Income Approach, this section sets out structured guidance for the application of recognised methods, namely the Relief-from-Royalty (RfR) Method, the Multi-Period Excess Earnings Method (MPEEM), the Incremental Cash Flow Method, and the With-and-Without (W&W) Method.

6.2. These methods serve as principal analytical reference points within the Income Approach due to their conceptual robustness, broad professional acceptance, and practical applicability across a wide range of valuation contexts.

6.3. Other income-based techniques may also be applied in practice, including, without limitation, profit-split models, distributor or residual margin approaches, Greenfield-type analyses, decision-tree modelling, real-options techniques, or other probabilistic and simulation-based methods.

Any such technique should be conceptually reconcilable with the Income Approach, reflect the economic attribution of benefits to the intangible asset, and be supported by appropriate evidence, transparent reasoning, and clear documentation in the Valuation Report.

6.4. The valuer should exercise professional judgement in determining the most appropriate analytical framework, having regard to the specific valuation context and the objective of isolating the economic benefits attributable to the intangible asset.

7. Relief-from-Royalty (RfR) Method – methodological requirements

7.1. **Applicability**

The RfR method should be applied when market licensing evidence exists or when a rational market participant would license the intangible asset rather than recreate or acquire it. It is commonly applicable to trademarks, software rights, copyrightable content and patented technology.

7.2. **Determining the royalty rate**

Royalty rates should be based on observable market licensing behaviour, benchmarking evidence, economic characteristics of the asset and sector

norms. Unsupported or arbitrary royalty rates should not be applied. Adjustments for exclusivity, territoriality, innovation level, brand strength and regulatory protection should be evidence-based.

7.3. **Royalty base**

The royalty base (e.g. revenue, gross profit, units, usage metrics) should reflect the mechanism through which market participants economically exploit the intangible asset. The valuer should justify the selected base by demonstrating alignment with: (a) the asset's functional role in value creation, (b) observed licensing practices for comparable assets, and (c) the business model through which the asset is monetised.

(a) Revenue-based bases

Appropriate where the asset directly influences customer demand, pricing power or brand-driven sales (e.g. trademarks, designs, branded content, consumer-facing software). Revenue should not be used if the asset does not affect demand or price formation.

(b) Unit-based bases

Appropriate where the asset's value is linked to the production or sale of discrete units (e.g. patented components, pharmaceutical active ingredients, technology embedded in hardware). Unit bases should reflect market-pricing structures and regulatory constraints.

(c) Margin or gross-profit-based bases

Appropriate only where market evidence supports profit-sharing mechanisms or where the asset enables differential profitability not solely driven by operational efficiency. Profit-based bases should be avoided where they risk capturing benefits unrelated to the asset.

(d) Usage or access-based bases

Appropriate where the asset is monetised through subscriptions, licences-per-user, API calls, data access, or similar mechanisms. These bases should be supported by market evidence of comparable licensing structures.

(e) Excluded bases

The valuer should not apply bases that embed operational efficiencies, synergies, entity-specific advantages or goodwill (e.g. EBITDA, net income, enterprise-wide profitability metrics). Such bases would be inconsistent with the principle that royalty savings correspond only to the asset's independent contribution.

7.4. **Tax treatment**

Royalty savings represent hypothetical expenses that a market participant would incur if it did not own the intangible asset and had to license it from a third party. Because licensing fees are typically tax-deductible in most EU jurisdictions, royalty savings should be tax-affected to reflect the real economic benefit attributable to the asset.

(a) Determining the tax rate

The valuer should:

1. **Use a market-participant effective tax rate.**

- Entity-specific tax advantages (loss carryforwards, tax shelters, group reliefs) should be excluded unless transferable and available to market participants.
- Market-participant effective tax rates reflect the normative tax burden for a business operating the asset within the relevant jurisdiction(s).

2. **Apply a jurisdictionally consistent rate,** aligned with where the royalty payments would have been deductible.
   - For single-market assets: use the effective tax rate of that market.
   - For multi-jurisdiction assets: use either a weighted-average or jurisdiction-specific modelling where material tax differences exist.
3. **Avoid statutory rates** unless the applicable effective tax rate converges with the statutory rate for market participants.

(b) Treatment of patent boxes and IP tax incentives

IP tax incentive regimes (e.g. patent boxes, innovation boxes, R&D allowances):

- should be considered only when:
  (i) a market participant would realistically qualify
  (ii) the incentive is linked to the IP being valued
  (iii) the incentive complies with the OECD nexus approach
  (iv) the incentive is legally accessible and not entity-specific.

- should not be applied when the benefit is conditional on internal R&D structures, ownership chains, or arrangements unavailable to market participants.

(c) Multi-jurisdictional use

Where the asset generates benefits across multiple territories:

- the valuer should analyse differences in deductibility, withholding taxes, and cross-border royalty tax treatment
- transfer pricing constraints should be considered where relevant
- modelling may require allocation of royalty savings by territory.

7.5. **Discount rate selection**

Royalty savings represent the return attributable to a specific intangible asset, not to the enterprise as a whole. Therefore, the discount rate should reflect the risk of the asset itself.

Default reliance on the corporate WACC is inappropriate, as it does not reflect asset-specific risk, market-participant assumptions, or observable pricing behaviour in transactions.

(a) When the corporate WACC is inappropriate

Corporate WACC should not be used when:

- the asset has a different risk profile from the operating business
- legal enforceability risk is material
- the technology is subject to obsolescence or substitution

- the brand is exposed to demand volatility or consumer preference shifts
- the future usage of the asset depends on regulatory approvals
- the income attributable to the asset is narrower or more volatile than enterprise cash flows.

(b) When the corporate WACC may be used

The WACC may be appropriate only when:

- the asset's returns are inseparable from enterprise returns
- the asset is fully integrated in an operational system that absorbs most risks
- the market treats the asset as a core, stable component of the business
- no identifiable asset-specific risk exists beyond business-level exposures
- no IP enforcement, obsolescence, regulatory or competitive uniqueness drives separate risk.

7.6. **Economic life**

The royalty projection period should be aligned with the asset's economic life and renewal assumptions. The valuer should avoid projecting royalties beyond periods in which the asset retains economic viability.

8. Multi-Period Excess Earnings Method (MPEEM) – methodological requirements

8.1. **Applicability**

The MPEEM should be applied when the economic benefits attributable to the subject intangible asset can be isolated by quantifying:

(a) the cash flows of the income-generating activity that depends on the intangible asset and

(b) the returns required by contributory assets essential to that activity.

It is commonly applicable to customer-related intangibles, technology platforms, proprietary software ecosystems, data-driven business models, and contractual relationships where multiple assets jointly contribute to economic returns but the intangible is the primary driver.

The method should not be applied when cash flows cannot be reliably isolated, when contributory asset interactions cannot be reasonably quantified, or when the asset is not the primary driver of economic benefit.

8.2. **Income stream identification**

The valuer should identify and model the income stream directly enabled by the subject intangible asset. This requires:

a) isolating the revenue, margin, or usage-based income that is economically dependent on the intangible asset

b) excluding enterprise-wide or product-line cash flows unrelated to the subject asset

c) ensuring consistency with the business model and market participant assumptions.

Income streams should be supported by:

- customer cohort analysis,
- customer churn and renewal patterns,
- usage metrics,
- pricing mechanisms,
- unit economics,
- contractual terms (e.g. minimum guarantees, renewal probabilities).

8.3. **Contributory Asset Charges (CACs)**

The valuer should identify all contributory assets required to generate the income stream, including:

- working capital,
- fixed assets,
- assembled workforce,
- platform or infrastructure assets,
- supporting intangibles (e.g. trademarks, supporting software modules),
- access rights or licences,
- data infrastructure,
- regulatory permissions where applicable.

The CACs should represent returns on, not returns of, the contributory assets, unless economic obsolescence requires otherwise.

Determining CAC rates

CAC rates should:

- reflect the return a market participant requires on each contributory asset,
- be based on the risk of each asset class, not the subject intangible,
- avoid artificial "loading" or "smoothing" to achieve a target value.

8.4. **Working capital and fixed-asset Contributory Charges**

Working capital CACs should reflect:

- the normative working-capital intensity of market participants,
- the cash conversion cycle,
- revenue and cost seasonality.

Fixed-asset CACs should reflect:

- replacement cost new of essential operating assets,
- sector-appropriate returns,
- economic obsolescence if applicable.

The valuer should not default to the reporting entity's working-capital or fixed-asset structure unless it is representative of market participants.

8.5. **Assembled workforce considerations**

Assembled workforce is not recognised as a separate intangible asset under accounting or valuation standards but constitutes a contributory asset in MPEEM.

The valuer should:

- estimate the return on workforce using market participant cost of labour,
- consider recruiting, onboarding, and ramp-up periods,
- avoid capitalising workforce costs as intangible value.

Workforce-related cost savings belong to the business, not to the subject intangible asset.

8.6. **Determining Excess Earnings**

Excess earnings are calculated as:

> cash flows attributable to the subject intangible
>
> *minus*
>
> contributory asset charges.

Excess earnings should:

- be supported by detailed modelling,
- reflect realistic revenue/usage/renewal patterns,
- incorporate long-term erosion or migration effects,
- exclude benefits arising from goodwill, synergies, or entity-specific efficiencies.

Excess earnings should be internally consistent with assumed customer churn, renewal, pricing power, and economic life.

8.7. **Economic life**

The projection period should reflect the asset's economic life, not the legal life, and should incorporate:

- decay curves,
- renewal probabilities,
- customer retention dynamics,
- technology obsolescence patterns,
- competitive displacement,
- regulatory constraints.

Projecting indefinite or "flat" cash flows without evidence should be prohibited.

8.8. **Terminal Value**

Terminal value should be applied only when:

- the asset has demonstrably stable long-term economics
- renewal or retention patterns support sustained cash flows
- the market participant view is consistent with perpetuity assumptions.

If economic life is finite, no terminal value should be applied.

8.9. **Discount Rate selection**

The discount rate should reflect the risk of the intangible asset's excess earnings, which are typically higher-risk than enterprise cash flows.

The valuer should:

a) adjust discount rate components for customer-behaviour risk, technology risk, and renewal uncertainty

b) avoid using enterprise-level WACC unless the asset's risk is indistinguishable from enterprise risk
c) ensure internal consistency between economic life assumptions and discount rate levels
d) avoid biasing results by reverse-engineering the discount rate to target a value.

Where excess-earnings volatility is high, scenario modelling or probabilistic weighting may be required.

8.10. **Reasonableness tests**

The valuer should:

- cross-check excess earnings against observed market margins,
- validate renewal assumptions against cohort behaviour,
- ensure CACs are not over- or under-stated,
- reconcile discount rate with asset-specific risk factors,
- compare implied value-to-revenue or value-to-customer metrics with market benchmarks.

Material inconsistencies should be reconciled and documented.

8.11. **Practices requiring particular caution**

The valuer should exercise particular caution to avoid practices that may distort the identification of excess earnings or the contribution of the subject intangible asset. In this context, careful consideration should be given to the following :

- MPEEM is applied only when cash flows can be reliably attributed to the subject asset.
- Contributory asset charges are based on economically supportable returns reflecting market-participant expectations.
- All contributory assets required to generate the relevant cash flows (e.g. working capital, fixed assets, assembled workforce, supporting intangibles, data infrastructure) are recognised through appropriate charges rather than capitalised as separate identifiable intangible assets.
- The discount rate reflects asset-specific risks, avoiding default reliance on entity-level risk profiles where these differ.
- Economic life assumptions are evidence-based, avoiding unsupported indefinite-life conclusions.
- Enterprise-level profitability metrics (e.g. EBITDA) are not used as proxies for intangible-asset earnings unless their alignment with asset-level economics is demonstrably supportable.

9. Incremental Cash Flow Method – methodological requirements

9.1. **Applicability**

The Incremental Cash Flow Method is applicable when the economic benefit of the intangible asset arises through measurable improvements relative to a

clearly defined alternative scenario in which the intangible is absent. It is commonly used for:

- technological enhancements that reduce costs or increase output
- software modules improving automation or accuracy
- proprietary processes enhancing efficiency
- regulatory approvals enabling market access
- innovation components increasing speed-to-market or production yield.

The method is most reliable when the "without-asset" scenario can be articulated with evidence, not hypothetical abstraction.

9.2. **Identification of the incremental effect**

The valuer should identify the specific economic channels through which the intangible asset creates incremental benefit. These may include:

a) revenue uplift (e.g. faster time-to-market, enhanced product capability)
b) margin improvements (e.g. lower defect rates, lower unit production costs)
c) reduced working-capital requirements
d) lower regulatory or compliance costs
e) higher capacity utilisation
f) reduced obsolescence or downtime.

The incremental impact should be supported by operational data, benchmarking or technical documentation.

9.3. **Construction of the "with-asset" and "without-asset" scenarios**

The valuer should construct two internally consistent scenarios:

a. With-asset scenario:
Reflects the expected financial performance assuming ownership and use of the intangible.

b. Without-asset scenario:
Reflects the financial performance of the business if the intangible were unavailable, involving:

- alternative technology
- manual processes
- delayed market entry
- inferior performance
- reduced operational capability.

The "without-asset" scenario should be realistic for a market participant and should not assume impracticable operating conditions.

9.4. **Isolation of incremental cash flows**

Incremental cash flows should include only:

- incremental revenues and margins
- cost savings and avoided costs
- changes in investment or working-capital needs.

The valuer should avoid attributing enterprise-wide improvements to the intangible unless they are directly linked to its functionality.

9.5. **Contributory Assets**

All contributory assets required to realise the incremental benefit (e.g. workforce, data infrastructure, supporting software modules, fixed assets) should be recognised through economically supportable contributory charges.

The valuer should ensure that incremental benefits are not overstated by omitting relevant contributory assets.

9.6. **Discount Rate selection**

The discount rate should reflect the risk of the incremental cash flows, which may differ from both enterprise-level and asset-level risks under other methods.

Additional risk factors may include:

- uncertainty in adoption or operational integration
- technical execution risk
- volatility in efficiency gains
- regulatory timing uncertainty.

Where the incremental benefit is stable and operational in nature (e.g. predictable cost savings), a lower discount rate may be appropriate relative to innovation-driven assets.

9.7. **Economic Life**

Economic life should reflect:

- durability of the efficiency improvement
- technology obsolescence
- replacement cycles
- regulatory expiry
- competitive displacement.

The valuer should avoid projecting indefinite incremental benefits unless supported by long-term technological evidence.

9.8. **Reasonableness checks**

The valuer should assess:

- consistency with technical documentation and engineering estimates
- alignment with industry benchmarks for similar innovations
- the plausibility of the alternative scenario
- sensitivity of outcomes to adoption rates and cost-reduction assumptions
- cross-checks with alternative methods where relevant.

9.9. **Practices requiring particular caution**

The valuer should take care to avoid:

- using an unrealistic or punitive “without-asset” scenario
- double-counting benefits that also arise from other intangibles
- overstating cost savings without evidence of sustainability
- assuming immediate full adoption without ramp-up
- embedding entity-specific efficiencies unrelated to the asset.

10. With-and-Without Method (W&W) – methodological requirements

10.1. Applicability

The With-and-Without Method applies when the intangible asset's contribution is best understood by comparing business performance with the asset to a realistic scenario without it. It is particularly relevant for:

- contractual rights and exclusivities
- licences and concessions
- regulatory approvals
- access rights or distribution rights
- critical data assets
- key technology required for market participation.

It is also widely used in dispute resolution and damages quantification.

10.2. Scenario construction

The method requires the explicit modelling of:

a. With-asset scenario

Reflecting current or expected performance using the intangible.

b. Without-asset scenario

Reflecting likely performance in the absence of the intangible, considering:

- alternative technologies
- loss of exclusivity
- reduced customer access
- delayed regulatory approval
- decreased market presence
- increased cost of compliance.

The "without-asset" scenario should be consistent with how market participants could realistically operate without the intangible.

10.3. Identification of dependent cash flows

The valuer should identify which elements of performance change between scenarios. These may include:

- revenue levels
- pricing power
- customer retention
- unit economics
- variable and fixed cost structures
- working-capital needs
- investment requirements.

Only cash-flow differences directly attributable to the asset should be included.

10.4. Complementary assets and contributory charges

W&W often involves assets jointly producing value (e.g. platforms, customer data, proprietary algorithms). The valuer should:

- identify which assets remain available in the "without-asset" scenario

- adjust for the return on contributory assets where relevant
- avoid allocating returns from broader business capabilities to a single intangible.

10.5. **Discounting and risk**

The discount rate should reflect:

- scenario-specific risks
- uncertainty regarding the impact of losing the asset
- regulatory or legal risks (common in approvals/concessions)
- switching-cost risks and customer-behaviour volatility.

The valuer should ensure that discount rates remain consistent with both scenarios' implied risk levels.

10.6. **Reasonableness tests**

These include:

- benchmarking against industry responses to comparable loss-of-rights situations
- cross-check with alternative methods
- consistency between the severity of the "without-asset" scenario and observed market behaviour
- sensitivity of results to key assumptions.

10.7. **Practices requiring particular caution**

The valuer should exercise particular care to avoid:

- constructing a "without-asset" scenario that is unrealistically pessimistic or operationally infeasible
- double-counting the economic impact of interacting assets
- ignoring customer-behaviour dynamics
- applying discount rates inconsistent with scenario risk
- embedding synergies or enterprise-level benefits into the asset's standalone value.

11. Supplementary analytical tools within the Income Approach

11.1. Certain analytical tools may assist the valuer in addressing uncertainty, staged development, regulatory or technological milestones, and other characteristics frequently encountered in the valuation of intangible assets. These tools complement the application of the income approach and do not constitute standalone valuation methods. Their use should be appropriate to the nature of the asset, grounded in market-participant assumptions, and clearly disclosed in the valuation report.

11.2. Such tools may be relevant where:

a) alternative future states may materially alter expected economic benefits

b) the economic exploitation of the asset is contingent upon discrete regulatory, technical or commercial milestones

c) managerial or strategic flexibility is expected to influence outcomes
d) the pattern of risk is asymmetric or non-linear
e) expected cash flows cannot be adequately represented by a single deterministic projection.

11.3. **Scenario Analysis – methodological requirements**

Scenario analysis is used to evaluate alternative, internally coherent future outcomes that may influence the economic benefits expected from an intangible asset.

The valuer may, where appropriate:

- construct discrete scenarios reflecting technical feasibility, regulatory outcomes, market-penetration dynamics, competitive responses or operational constraints
- assign probability weights where market-participant evidence supports such assignments
- analyse the effect of each scenario on expected cash flows, risk adjustments and economic life.

Scenario analysis does not incorporate decision flexibility or behavioural responses to future events. It should therefore be used to inform, rather than replace, the income approach and should be consistent with market-participant assumptions.

11.4. **Real-Options Analysis – methodological requirements**

Real-options analysis may be relevant where the economic value of an intangible asset is influenced by the ability of a market participant to make sequential decisions - including whether to defer, expand, accelerate, contract or abandon activities - as uncertainty resolves over time. This is common in the valuation of patents, proprietary technologies, staged research and development programmes, platform-based software assets and other intangibles characterised by regulatory or technological hurdles.

Real-options techniques extend the income approach by:

- modelling decision nodes and sequential development stages
- capturing asymmetric payoff structures (limited downside, potentially unbounded upside)
- explicitly valuing the timing flexibility available to a market participant
- incorporating the cost of exercising future strategic actions.

11.4.1. Applicability criteria

The application of real-options techniques should be considered only where all of the following conditions are met:

a) a staged investment or exploitation structure exists, such that future expenditure is discretionary and can be delayed, accelerated or abandoned

b) uncertainty is expected to resolve over time through identifiable technical, regulatory or commercial milestones
c) outcome distributions are asymmetric, with limited downside but materially greater potential upside under plausible market conditions
d) a conventional income-approach model cannot adequately reflect economic reality without incorporating managerial flexibility.

11.4.2. Input parameters

When applying real-options techniques, the valuer should ensure that:

a) volatility or dispersion measures are derived from market-participant evidence
b) exercise costs reflect expected future investment requirements under market-participant assumptions, including technical, regulatory and commercial expenditures
c) time to expiry reflects the shorter of
   - remaining legal protection,
   - economic life
   - or the period within which the relevant decision should be taken
d) probabilities of technical, regulatory or commercial success are supported by industry data, regulatory statistics or historical or ongoing development projects with similar technical, regulatory and commercial characteristics, whose observed outcomes provide empirical evidence on probability of success.

11.4.3. Red-flag misuse signals

The valuer should exercise heightened caution, and may determine that real-options techniques are inappropriate, where:

a) the asset does not exhibit substantive managerial discretion over future investment or exploitation decisions
b) option value is primarily driven by unsupported volatility assumptions or overstated upside scenarios
c) the real-options result exceeds all available market evidence without adequate justification
d) the underlying income approach is not robust or internally consistent
e) option structures are introduced where no substantive decision rights exist.

Market Approach – Methodological Application Framework

1. General principles

1.1. The Market Approach estimates value based on the pricing behaviour of market participants in transactions or licensing arrangements relating to intangible assets or rights comparable to the subject asset. It is applicable only when market evidence exists and when transaction terms or licensing structures provide meaningful insight into how similar assets are monetised.

1.2. Reliable application requires demonstrable comparability in functional characteristics, legal rights (scope, exclusivity, enforceability), economic role, and territorial reach. Where comparability is partial, adjustments should be evidence-based, limited in number, and grounded in observable industry norms.

1.3. Market evidence may include:

a) licensing agreements
b) comparable transactions (asset sales or carve-outs)
c) sector-specific royalty benchmarks
d) disclosures in EU competition cases involving IP licensing
e) EUIPO practice regarding scope, enforceability, and vulnerability of rights.

1.4. EU regulatory factors that influence comparability include:

a) territoriality and exhaustion of IP rights
b) enforceability under EUIPO and CJEU case law
c) sector-specific rules (pharmaceuticals, digital platforms, content distribution)
d) competition law restrictions on licensing structures, exclusivities, MFNs, and pass-through obligations.

These factors affect whether the underlying asset or rights in the observed transaction are genuinely comparable to the subject asset.

1.5. The Market Approach is most suitable when licensing markets are active or semi-active. It is less reliable when transactions:

a) are opaque or insufficiently disclosed
b) reflect strategic acquisition premiums
c) involve distressed sellers or litigation settlements
d) bundle multiple assets without clear allocation.

1.6. Market-based indications should be used to cross-check income-based approaches. Deviations do not necessarily indicate error but require clear economic justification.

1.7. The valuer should avoid over-reliance on headline rates, unadjusted royalty ranges, or sector “rules of thumb”. Market data rarely transfer directly without context and adjustment.

2. Core application methods

2.1. Within the Market Approach, this section sets out structured guidance for the application of recognised methods, namely the Comparable Transaction Method, the Royalty Benchmarking Method, the Comparable Uncontrolled Transaction (CUT) Method, and the Market Multiples Method.

2.2. These methods serve as principal analytical reference points for deriving value indications from market evidence relating to comparable transactions, pricing benchmarks, or observable market data.

2.3. Other market-based techniques may also be applied in practice, such as Rating Methods, pricing matrix analyses, bid-ask spread assessments, auction-based evidence evaluation, or other data-driven benchmarking techniques.

Any such technique should be conceptually consistent with the Market Approach, rely on relevant and sufficiently comparable market evidence, and be supported by transparent analysis and appropriate documentation in the Valuation Report.

2.4. Within the Market Approach, the selection of the analytical framework should reflect the valuer's professional judgement in assessing comparability, market depth, and the reliability of available evidence.

3. Comparable Transaction Method – methodological requirements

3.1. **Applicability**

Appropriate when recent transactions exist involving assets with similar functional roles, rights structures, territorial scope, and economic utility. Typical for trademarks, designs, software assets, media rights, and technology carve-outs.

3.2. **Key analytical steps**

The valuer should:

a) identify transactions with functional, legal, and economic comparability
b) analyse transaction structure (upfront, instalments, milestones, royalties, minimum guarantees)
c) normalise transaction value for contingent consideration and performance-based payments
d) adjust for differences in exclusivity, maturity, enforceability, territory, and asset remaining life
e) derive implied value metrics (lump-sum equivalents, royalty equivalents, multiples).

3.3. **Adjustments**

Adjustments should be limited to differences supported by evidence, such as:

- material differences in asset scope or enforceability
- technological or brand maturity
- geographic coverage
- regulatory approval status

- remaining economic life.

3.4. **Practices requiring particular caution**

Care is required when:

- transactions reflect strategic premiums or control motives
- pricing is influenced by unique synergies, not asset-level economics
- the transaction bundles multiple assets (technology + brand + customer lists) with no price allocation
- disclosure is partial, making adjustments speculative
- Transactions or licensing terms shaped by regulatory remedies or competition-law interventions may not reflect pricing arising from ordinary market interaction. The valuer should assess whether such agreements provide reliable evidence for the subject asset or require adjustment or supporting analysis.

4. Royalty Benchmarking Method – methodological requirements

4.1. **Applicability**

Appropriate when the asset is commonly licensed and when benchmark royalty rates provide relevant insight. Particularly suitable for trademarks, software rights, copyrightable content, patented technology, and franchise systems.

4.2. **Key analytical steps**

The valuer should:

a) collect benchmark royalty rates from licensing databases, industry reports, EU competition decisions, or public filings
b) assess comparability in terms of rights granted (scope, exclusivity, sub-licensing, field-of-use)
c) benchmark the asset's relative strength within the range
d) justify placement within the benchmark range by analysing economic contribution, brand/technology strength, and market norms
e) ensure alignment between the selected royalty rate and the chosen royalty base.

4.3. **Adjustments**

Adjustments may be needed for:

- exclusivity vs non-exclusivity
- global, EU-wide and regional or national rights
- bundled services (marketing, distribution, technical support)
- asset maturity, renewal profile, and enforceability
- sector-specific regulatory constraints.

4.4. **Practices requiring particular caution**

The valuer should exercise care when:

- headline royalty rates do not reflect effective paid rates (thresholds, rebates, volume discounts)

- benchmarks come from markets with materially different legal environments
- the benchmark range is wide and heterogeneous
- licensing terms are shaped by competitive remedies or dominance concerns
- In some EU licensing contexts, observed royalty rates may reflect constraints arising from competition-law requirements, including limitations on acceptable licensing structures or exclusivity provisions. Where such regulatory influences arise from enforcement actions, remedies or specific competition-law interventions affecting the structure of the agreement, the valuer should assess whether the pricing reflects ordinary competitive interaction or requires adjustment to establish comparability.

5. Comparable Uncontrolled Transaction (CUT) Method – methodological requirements

5.1. **Applicability**

Appropriate when there are verifiably similar licensing transactions for identical or nearly identical assets. Particularly relevant for patented technology, software modules, data licences, or content rights with repeat licensing.

5.2. **Key analytical steps**

The valuer should:

a) identify CUTs with a high degree of functional and legal similarity
b) evaluate legal terms (duration, renewal, exclusivity, territoriality, sub-licensing)
c) assess payment mechanics (fixed fees, variable fees, minimums, step-downs)
d) normalise deal structures to isolate the economic value of the intangible
e) test whether CUTs reflect arm's-length, market-participant behaviour.

5.3. **Adjustments**

The valuer should apply adjustments only where they are supported by observable differences between the CUT and the subject asset. Adjustments should be evidence-based, limited in scope, and consistent with market-participant behaviour. Typical adjustments include:

a. Scope and rights granted

Adjustments may be required for differences in:

- territorial reach
- exclusivity or non-exclusivity
- field-of-use limitations
- sub-licensing rights
- duration and renewal mechanisms.

b. Economic function and maturity

Where the CUT asset is at a different stage of technological or commercial maturity, the valuer should assess whether normalisation is feasible (e.g. early-stage vs established technology, beta vs production-ready software).

c. Payment structures

Compensation needs normalising when CUTs include:

- upfront fees vs variable royalties
- minimum guarantees
- tiered or step-down royalties
- bundled support or implementation fees.

The objective is to isolate the economic value attributable to the intangible asset itself.

d. Bundled assets and services

If the CUT includes bundled technology, brand support, data access, implementation services or integration work, the valuer should adjust to exclude non-IP components where sufficiently observable.

e. Regulatory or competition-law influences

Where the CUT reflects licensing terms shaped by regulatory remedies, enforcement actions or specific competition-law interventions affecting the structure of the agreement, the valuer should assess whether the pricing reflects ordinary competitive interaction or whether adjustments or additional support are needed to establish comparability.

5.4. **Practices requiring particular caution**

Care is required when:

- transactions occur under non-market conditions (intra-group, distressed, litigation settlements)
- transactions include bundled IP portfolios with no price allocation
- implicit assumptions (e.g. market power, regulatory constraints specific to the parties) are not transferable to market participants
- CUTs derived from transfer-pricing documentation are subject to fiscal optimisation strategies they should then be critically assessed before use.

6. Market Multiples Method - methodological requirements

6.1. **Applicability**

Applicable when enterprise value is heavily driven by a dominant intangible asset and where comparable companies or IP-intensive businesses provide relevant multiples. Typical in software, gaming, digital content, entertainment, licensing-based models, and subscription platforms.

6.2. **Key analytical steps**

The valuer should:

a) identify IP-intensive comparables with similar monetisation models
b) extract relevant multiples (EV/revenue, EV/EBITDA, price-per-user, price-per-unit)
c) adjust for scale, growth, customer churn, margin structure, regulatory context
d) assess which portion of enterprise value relates to the subject intangible
e) ensure consistency with the intangible's economic contribution under market-participant assumptions.

6.3. **Adjustments**

Adjustments under the Market Multiples Method should be limited to differences that materially affect comparability and can be supported by observable evidence. The valuer should consider adjustments relating to:

a. Scale and growth differentials

Multiples should be normalised where comparable companies differ materially in:

- revenue scale
- growth trajectory
- customer churn
- adoption curves
- lifecycle stage (early-stage vs mature).

Growth-normalisation is critical for digital and subscription-based business models.

b. Profitability and margin structure

Where comparables exhibit significantly different gross margins, operating structures, or cost-to-serve models, multiples should be adjusted or re-scaled to avoid embedding enterprise-level economics unrelated to the intangible asset.

c. Business model alignment

Adjustments may be required when comparables rely on:

- different monetisation channels (subscription, licensing, advertising, transactional)
- different user cohorts (B2C vs B2B)
- materially different retention and engagement profiles.

The valuer should ensure that monetisation mechanics align with the subject asset's economic role.

d. Asset intensity and contributory requirements

Comparables with significantly different capital intensity, data infrastructure, or supporting intangible portfolios may require adjustments to avoid misattributing enterprise assets' contribution to the subject intangible.

e. Market conditions and regulatory environment

Differences in sector maturity, platform economics, market saturation, or in the regulatory exposure and compliance conditions applicable to the subject asset and the comparable transaction (including EU data governance rules, platform regulation, or IP territorial scope) may require calibration to ensure comparability.

f. Synergies and strategic premiums

Where transaction multiples include control premiums, synergy expectations or strategic motives, the valuer should normalise or exclude such influences unless they represent market-participant behaviour transferable to the subject asset.

6.4. **Practices requiring particular caution**

Care is required when:

- multiples capture synergies, control premiums, or goodwill that do not relate to the asset
- segment disclosures are insufficient to isolate intangible contribution
- the monetisation model differs materially from comparables.

Cost Approach - Methodological Application Framework

1. General principles

1.1. The Cost Approach estimates value based on the economic cost that a market participant would incur to recreate or replace the utility of the subject intangible asset. The approach is applicable when income-based or market-based evidence is limited and when the asset's function can be replicated with identifiable expenditures.

1.2. The approach reflects economic substitution logic, not accounting cost logic. Past development costs are not a proxy for value unless they align with the costs a market participant would incur today to obtain equivalent functionality.

1.3. The Cost Approach is suitable for intangible assets that:

a) do not directly generate independent income streams
b) are used internally rather than licensed
c) do not have active licensing markets
d) are early-stage, technical, or enabling assets (e.g. software code, data sets, technical documentation, training materials).

1.4. The approach should incorporate obsolescence (technological, functional, economic, regulatory) and should reflect whether a market participant would choose to recreate the asset at all.

1.5. EU-relevant considerations include:

- data governance and GDPR constraints (affecting recreatability of datasets)
- software and database protection regimes (affecting creation timelines)
- licensing or regulatory approvals required for certain technical assets.

2. Cost Approach adjustments (Cross-Method)

2.1. Cost estimates should include all expenditures necessary to bring the asset to a condition in which it can provide its expected economic utility, including testing, validation, integration and compliance.

2.2. Opportunity costs, delays, and time-to-market differences should be reflected. A faster replacement option may have lower cost but may also delay the contribution of the asset to revenue generation or cost efficiency relative to the original asset and such timing differences shall be reflected in the valuation analysis.

2.3. Contributory asset requirements (e.g. engineering teams, data infrastructure, quality assurance frameworks) should be included as part of the asset's replicability cost.

3. Reasonableness tests and cross-checks

3.1. Cost-based values should be cross-checked against income-based indications where possible, particularly by evaluating whether the implied cost is proportionate to the economic benefits expected.

3.2. Significant divergence between cost-based and income-based values requires justification (e.g. early-stage asset, absence of licensing market, enabling utility rather than revenue-driving).

3.3. Cost-based results should align with market-participant substitution behaviour. If a rational market participant would not recreate or replace the asset, the Cost Approach may not be appropriate.

4. Practices requiring particular caution

The valuer should exercise particular caution to avoid:

a) relying on historical or sunk costs as evidence of value
b) excluding overhead or indirect costs required for replication or replacement
c) ignoring regulatory, licensing or data-governance constraints affecting recreatability
d) overstating asset value where income-based evidence indicates limited economic utility
e) assuming replicability where specialised organisational knowledge or undocumented processes are required.

5. Core application methods

5.1. Within the Cost Approach, this section sets out structured guidance for the application of the Reproduction Cost Method and the Replacement Cost Method, as principal analytical frameworks for estimating the value of an intangible asset by reference to the cost required to recreate or replace its service potential.

5.2. These methods serve as core reference points for assessing the economic rationale of cost-based value indications, including the identification and measurement of relevant forms of obsolescence and functional or economic adjustments.

5.3. Other cost-based techniques may also be applied in practice, such as Depreciated Replacement Cost models, Optimised Replacement Cost analyses, trended or indexed development cost models, or other structured cost-accumulation approaches.

Any such technique should be conceptually consistent with the Cost Approach, reflect the economic utility of the intangible asset rather than its historical expenditure alone, and be supported by appropriate evidence, transparent reasoning, and clear documentation in the Valuation Report.

5.4. Within the Cost Approach, the selection of the analytical framework should reflect the valuer's professional judgement in assessing technological feasibility, functional equivalence, economic utility, and the relevance of obsolescence adjustments.

6. Reproduction Cost Method – methodological requirements

6.1. **Applicability**

Appropriate when a market participant would realistically recreate the same asset with similar specifications, functionality and performance. Common for software code, technical manuals, databases, process documentation and training materials.

6.2. **Key analytical steps**

The valuer should:

a) identify the exact functional specification of the existing asset
b) determine labour hours, skill levels and resources required to reproduce the asset
c) assess direct and indirect costs required for replication (labour, overhead, testing, integration)
d) incorporate required supporting assets (data infrastructure, tooling, QA systems)
e) adjust for developer productivity, learning curve efficiencies and market wage levels.

6.3. **Obsolescence adjustments**

The valuer should apply deductions for:

a) technological obsolescence (outdated architecture, frameworks, algorithms)
b) functional obsolescence (superior alternatives now exist)
c) economic obsolescence (excess capacity or reduced market need)
d) regulatory obsolescence (compliance requirements changed since development).

6.4. **Practices requiring caution**

The valuer should carefully assess where the following may not be appropriate or fully applicable:

a) evaluating the extent to which historical development cost represents current replacement cost from a market-participant perspective
b) evaluating limitations in available information, including delays, inefficiencies or uncertainties that would realistically arise during replication
c) considering GDPR, data-access or licensing constraints that may affect the feasibility or scope of recreating the asset
d) identifying all contributory assets required to place the asset in service, including engineering environments and testing infrastructure.

7. Replacement Cost Method - methodological requirements

7.1. Applicability

Appropriate when a market participant would not recreate the asset exactly, but would obtain the same utility through a different, more efficient, contemporary method. Common for software modules, data-processing tools, internally developed systems or processes.

7.2. Key analytical steps

The valuer should:

a) identify the utility or function the asset provides
b) determine the lowest-cost method a market participant would choose to obtain the same function
c) estimate cost components: acquisition, configuration, engineering, testing, integration
d) assess whether third-party solutions or open-source options would be cheaper
e) include switching and adoption costs (migration, training, downtime, implementation).

7.3. Obsolescence and optimisation

In many cases, replacement provides a more economically efficient path to achieving the same utility than reproducing the existing asset. Replacement may be preferable when:

- newer technologies provide the required functionality at lower cost or higher efficiency
- regulatory or infrastructure requirements have evolved since the original asset was created
- legacy assets exhibit lower productivity, flexibility or compatibility with current systems.

Obsolescence adjustments should reflect the asset's current position relative to the best available contemporary alternatives.

7.4. Practices requiring caution

The valuer should carefully assess situations where standard analytical steps may not be fully applicable, including:

- assessing whether replacement cost reflects the economically rational alternative available to a market participant, rather than assuming automatic equivalence to market value
- evaluating integration constraints and indirect costs that may be required to place a replacement asset into service
- considering intellectual property ownership and licensing implications when relying on third-party or open-source alternatives
- confirming, with evidence, whether replacement options provide equivalent economic utility to the existing asset.

B.2. GUIDANCE NOTE

Content of the Valuation Report

1. **The basis of the instruction and the valuation**

1.1. **Asset identification**

- The identification of the intangible asset that is the subject of the valuation, including its name, type and description
- The legal owner, beneficial owner and, where different, the economic user of the intangible asset
- The nature and scope of the rights being valued, including their legal nature, territorial scope, duration and enforceability, ownership / usage / licensing rights, other contractual interests, regulatory constraints and limitations.

1.2. **The client**

- The client and the instruction - The client's name, and details of how the valuer was instructed (it is recommended to include a copy of the terms of engagement as an annex)
- Third party reliance - Where it has been agreed that certain identified third parties will be able to rely on the Report, those third parties should be named.

1.3. **The valuer**

- The status of the valuer (external or internal and whether the valuer is considered to be independent)
- Involvement of specialist valuers or advisers – Identification of any third party specialists the author of the Valuation Report has used the services of
- The valuer's statement that the facts contained in the Report are believed to be true and correct
- The valuer's statement that there are no potential conflicts of interest. Where potential conflicts exist, the Report may state that these were brought to the client's attention, contain a copy of the client's written acknowledgement and detail the measures taken to ensure the valuer's objectivity was not affected.

1.4. **The scope of work**

- The purpose of the valuation (stated purpose, intended users, valuation date, scope of work, and any restrictions affecting the assignment)
- Requisite basis and premise of value clearly stated and defined with reference to the EVS-IA or to the law or regulation that defines the basis of valuation
- Special assumptions - The valuer's statement as to whether any special assumptions are to be made

- The date of valuation - Indication of which financial statements were used at the valuation date. If financial statements as at the valuation date were not available and the valuer used earlier financial statements, clear statement of this in the Report as a significant limitation with a potential material impact on the valuation result
- The date of the Valuation Report.

1.5. **The available information**

- Sources of data underlying the valuation - A list of the documents received and a statement, where appropriate, of which important documents were not made available. Explanation of the process of checking information and documents and the results of this work
- Explicit disclosure of any reliance on data obtained from the client, third parties, or other external sources shall be explicitly disclosed.

1.6. **Investigations carried out**

- Limiting conditions - Statement of any scope limitations or other types of limiting conditions which influence the valuation process and the valuer's opinion
- Assumptions - The valuer shall state any important assumptions made as regards documents or information that were not available
- Investigations not carried out - For the avoidance of doubt, statement of any investigations that were not carried out, the results of which might have an impact on the value
- Caveats that are not indiscriminate and that are pertinent to the intangible asset and the valuation
- Highlighting of the fact that the valuation does not include the auditing of financial data provided by the management and, therefore, that the valuer does not take any responsibility for its accuracy and completeness.

1.7. **Compliance Statement**

Inclusion of a clear statement confirming that:

- the valuation was performed in accordance with the requirements and analytical principles set out in this Standard
- the valuer has the appropriate competence and experience
- all assumptions, inputs, and interpretations are the responsibility of the valuer.

Explicit disclosure and justification of departures from EVS-IA that are necessary due to assignment constraints.

2. **Internal and external environment analysis**

2.1. **Entity and asset-related information**

- General information on the entity relevant to the valuation of the intangible asset (e.g. legal name, address, date of establishment, legal form and material changes over time)

- Description of the business activities in which the intangible asset is developed, used or exploited
- Overview of historical performance trends of the business or the relevant business unit, where such information is relevant to the valuation of the intangible asset
- Products, services or processes to which the intangible asset contributes
- Customers, counterparties and channels relevant to the exploitation of the intangible asset
- Asset base, including the identification of the subject intangible asset and any supporting or contributory assets.

2.2. **Legal and contractual aspects**

- Clear statement of the legal status of the asset based on information provided to the valuer. Statement that the report shall not constitute legal advice
- Legal ownership and control of the intangible asset, including the identification of the legal owner and, where different, the economic user
- Nature and scope of the rights attaching to the intangible asset (e.g. ownership, usage, licensing, exclusivity, territorial scope, duration)
- Legal and regulatory framework applicable to the intangible asset, including the availability, validity and status of certificates, registrations, permits or licences required for its lawful use or exploitation
- Material contracts affecting the development, protection or commercialisation of the intangible asset, including licence agreements, collaboration agreements or restrictions on transfer
- Pending or threatened litigation or disputes relating to the intangible asset
- Taxation matters relevant to the ownership, use or transfer of the intangible asset
- Environmental, labour or other regulatory issues, where relevant to the valuation of the intangible asset.

2.3. **Historical financial performance analysis**

- Analysis of historical financial information in both monetary and relative terms
- Financial ratio analysis, where relevant to deriving valuation inputs
- Identification of extraordinary, non-recurring or non-operating items relevant to the valuation of the intangible asset.

2.4. **External environment analysis**

- General economic conditions relevant to the markets in which the intangible asset is exploited
- Industry and sector analysis

- Market and competitive environment
- Other relevant market information affecting the value or exploitation of the intangible asset.

2.5. **ESG materiality statement**

Where environmental, social, or governance factors are reasonably expected to have a material effect on the economic benefits, risks or valuation inputs of the intangible asset:

- identification the material ESG factor(s) and the relevant transmission channel(s)
- statement of the evidential basis (data, benchmarks, or other sources)
- explanation of how such factors are reflected in the valuation (e.g. cash flows, discount or risk rates, multiples, or specific adjustments).

Where no material ESG factors are identified,explicit statement of this.

2.6. **Uncertainty and limitations**

Disclosure of material valuation uncertainties and any limitations affecting the analysis or reliance.

3. **Valuation**

3.1. **Selection of valuation approach(es) and method(s)**

Rationale for the selection of the valuation approach(es), method(s) and valuation techniques appropriate for the intangible asset, having regard to the purpose of valuation, basis of value, characteristics of the intangible asset, valuation premises and availability of data.

3.2. **Methodology**

Brief description of the selected valuation approach(es), method(s) and valuation techniques applied to the intangible asset (approaches considered, approaches rejected and reasons for rejection, selected methods and rationale for suitability).

3.3. **Business / asset-specific modelling and valuation inputs (where applicable)**

Where income-based valuation approaches are applied, disclosure of:

- realistic assumptions underlying forecasts or valuation inputs relevant to the intangible asset (e.g. revenue or royalty base, margins, capital requirements, economic life), derived from the internal and external environment analysis
- discount rates, capitalisation rates and valuation multiples aligned with the risk and growth characteristics relevant to the intangible asset
    - scenario and sensitivity analysis, where performed, assessing the robustness of valuation outcomes under plausible changes in assumptions or conditions.

3.4. **Key assumptions**

Disclosure of key assumptions adopted in the valuation, including assumptions relating to projections, market trends, inflation, useful economic life, required reinvestment, contributory asset charges or other material inputs. Explanation

of the choice of such assumptions with reference to the analyses presented in the Valuation Report.

3.5. **Special assumptions**

Where special assumptions are adopted (such as continued legal protection, renewal or grant of licenses or permits, hypothetical transfer or licensing conditions, or other assumptions not existing at the valuation date), clear description of each such assumption.

3.6. **Marketing / exposure assumptions (where material)**

Disclosure of assumptions regarding exposure or marketing period relevant to the transfer, licensing or realisation of the intangible asset, together with the supporting evidence.

3.7. **Data Sources**

Disclosure of internal and external data sources material to the valuation, including industry reports, licensing benchmarks, transaction data and EUIPO records (where relevant), reliability assessment, treatment of confidential or limited-access data, explanation of how incomplete or imperfect data were addressed. Where no directly comparable evidence exists, explanation of the inferential logic or triangulation used to support the valuation conclusion.

3.8. **Value estimates**

Presentation of the value estimates in a clear and unambiguous manner.

3.9. **Adjustments for rights characteristics**

Disclosure of any adjustments reflecting differences in exclusivity, scope, transferability, legal enforceability or limitations of use affecting the value of the intangible asset.

3.10. **Reconciliation of valuation indications**

Where more than one valuation approach or method has been applied, disclosure of the consistency checks performed and the rationale for reconciling the valuation indications into a single conclusion of value.

3.11. **Recent transactions or indicative prices**

Where a recent transaction, licence agreement or indicative price involving the intangible asset has occurred, disclosure of the extent to which such information has been relied upon as evidence of value.

3.12. **Valuation uncertainty**

Where material uncertainty exists in relation to projections, discount rates or other key inputs, disclosure of the assumptions addressing such uncertainty. Where the income approach is applied, presentation of sensitivity analysis, showing how sensitive the valuation is to key assumptions (e.g. growth, discount rate, royalty rate, economic life).

4. **The final value conclusion**

4.1. Reported final value clearly and unambiguously stated, together with confirmation that sufficient investigation has been undertaken to justify the opinion of value reported.

4.2. Ranges, scenarios and sensitivity - Where a range or scenario analysis is presented, explanation of the drivers at each end of the range sand provision

of a concise sensitivity analysis to one or two key variables. Succinct identification of material sources of uncertainty.

4.3. Inclusion in the conclusion of a statement that the valuation is valid at the valuation date indicated and for the purpose stated.

4.4. Currency - Indication of the currency that has been used for the valuation. If the value is reported in a currency other than the currency of the jurisdiction relevant to the intangible asset or its primary economic use, indication of the currency conversion rate applied.

4.5. Limitations on investigations and information - Where investigations or information have been less complete than the valuer would normally wish, and where fuller information could potentially lead to a revision in value, emphatic statement of this in the conclusion of the Report.

4.6. Limitations on use of the Report - Statement of any limitations on the use of the Report as regards publication, third party reliance, etc.

4.7. Valuation Report signed and dated by the valuer who conducted the valuation and by a representative of the valuer's company, if a representative of such company signed the engagement letter.

4.8. Robust valuation conclusions, well supported and consistent with recognised valuation practice and with applicable legal, accounting and regulatory environments.

C. BACKGROUND AND RESOURCES

European Union Legislation and Intangible Asset Valuation

{In progress; not part of exposure draft}

Membership of TEGOVA

Glossary

Access-based monetisation
A revenue model where economic benefits arise from user access, subscriptions, usage units, API calls or similar mechanisms.

Adjustment (valuation adjustment)
A modification to observed or derived inputs to reflect differences in functional, economic, legal or regulatory characteristics between the subject asset and the reference evidence.

Asset-specific risk
Risk directly attributable to the characteristics of the intangible asset (e.g. legal enforceability, technological substitution, regulatory approval, brand sensitivity), distinct from entity-wide risk.

Attributable cash flows
Cash flows that can be isolated and allocated to the subject intangible asset, after considering contributory asset charges and excluding entity-specific synergies.

Basis of value
The framework of assumptions under which an asset is valued (e.g. market value, fair value, investment value), determining the perspective (market participant vs. owner-specific) and premise.

Comparable evidence
Market-based data that can inform valuation inputs. Comparability shall be functional, economic, legal and territorial—not merely categorical.

Composite intangible asset
A set of interdependent intangible elements that together form a single economic asset whose value cannot be reliably allocated to individual components.

Contract-based intangible
An intangible asset arising from enforceable contractual rights (e.g. licences, distribution agreements, concessions, exclusivities).

Contributory asset
An asset - tangible, intangible or financial - that is required for the subject intangible asset to generate economic benefits, and for which an economic return should be recognised in income-based valuation approaches.

Contributory Asset Charge (CAC)
The economic return attributable to contributory assets, deducted in income-based methods to isolate earnings attributable to the subject intangible asset.

CUT method (Comparable Uncontrolled Transaction)
A market method relying on observed pricing or royalty terms from comparable, arm's-length transactions.

Economic life
The period during which the asset is expected to generate economic benefits, potentially shorter than legal life.

Economic owner
The party that controls the economic benefits of an intangible asset, irrespective of whether legal title, registration or accounting recognition is held by another entity.

Enforceability (IP)
The ability to legally assert and uphold the rights associated with an intangible asset within the relevant jurisdiction(s).

Exclusivity
A characteristic of IP or contractual rights that restricts competitors' use, enhancing economic benefit or pricing power.

Goodwill
The residual economic value attributed to a business that cannot be allocated to identifiable intangible or tangible assets. Goodwill is not an identifiable intangible asset for valuation purposes.

Identifiable
A characteristic of an intangible asset indicating that its economic benefits, rights and dependencies can be delineated, described, measured and are, in principle, capable of being transferred or licensed independently from other assets or from goodwill, irrespective of whether the asset meets accounting or legal criteria for identifiability.

Income-based method
A valuation method that estimates the present value of future economic benefits attributable to an intangible asset.

Intangible asset
An identifiable non-monetary asset, without physical substance, capable of generating or contributing to economic benefits and capable of being individually analysed.

Intangible economic position
A non-asset economic mechanism arising from the interaction of multiple assets, operations and user behaviours, which influences performance indicators such as growth, retention, monetisation efficiency or cost dynamics, but cannot be owned, transferred, licensed, recognised or measured as an individual asset.

Intellectual Property (IP)
A legally protected intangible asset arising from statutory or regulatory rights, including but not limited to trademarks, designs, patents, copyrights, software rights, database rights, trade secrets and geographical indications.

Legal life
The period for which statutory or regulatory protection applies.

Licensing behaviour / licensing norms
Observed market practice in granting and pricing rights to use intangible assets. Includes royalty structures, exclusivity, territory and duration norms.

Market approach
A valuation approach relying on market-based evidence, including comparable licensing transactions and market multiples.

Market participant assumptions
Assumptions representing the expectations and decision-making criteria of typical buyers and sellers in the relevant market.

Modern Equivalent Asset (MEA)
An asset that provides the same utility as the subject asset using modern technology or processes.

MPEEM (Multi-Period Excess Earnings Method)
An income-based method isolating earnings attributable to an intangible asset after deducting contributory asset charges.

Obsolescence
Loss in economic utility due to technological advances, regulatory changes, market evolution or functional limitations.

Premise of value
Conditions under which the asset is assumed to be used (e.g. going concern, orderly liquidation, replacement premise).

Relief-from-Royalty Method (RfR)
An income-based method valuing an intangible asset based on the hypothetical royalty payments avoided by owning rather than licensing it.

Replacement cost
The cost of acquiring or constructing an asset that provides equivalent current utility.

Reproduction cost
The cost to recreate an exact copy of the asset, using the same methods, processes and technology.

Royalty base
The economic metric (revenue, units, usage, gross profit) to which a royalty rate is applied in licensing structures.

Royalty rate
A percentage or unit charge reflecting the consideration paid for the licensed use of an intangible asset.

Synergies (entity-specific)
Benefits that arise from combining assets or operations, not transferable to market participants and not attributable to an identifiable intangible asset.

Territoriality
The geographical scope in which an intangible asset is protected or legally enforceable.

Useful life
The period over which the intangible asset is expected to generate economic benefits for market participants, which may differ from legal life or accounting amortisation periods.

Value driver
A factor that influences value creation but does not constitute an identifiable intangible asset (e.g. network effects, user base dynamics, platform effects).

EU Legal and Regulatory Reference Map

Date of compilation: January 2026

(a) Intellectual Property Law

- Regulation (EU) 2017/1001 — EU Trade Mark
- Regulation (EC) 6/2002 — Community Designs
- Directive 2001/29/EC — Information Society Copyright Directive
- Directive 2009/24/EC — Software Directive
- Directive 96/9/EC — Database Directive
- Directive (EU) 2016/943 — Trade Secrets Directive
- Regulation (EC) 2100/94 — Community Plant Variety Rights

(b) Competition Law (Licensing-Relevant)

- Articles 101 & 102 TFEU
- Regulation (EU) 316/2014 — Technology Transfer Block Exemption (TTBER)

(c) Digital & Data Regulation

- Regulation (EU) 2016/679 — GDPR
- Regulation (EU) 2022/868 — Data Governance Act
- Regulation (EU) 2022/1925 — Digital Markets Act
- Regulation (EU) 2022/2065 — Digital Services Act

(d) Financial & Corporate Reporting

- Directive 2013/34/EU — Accounting Directive
- Directive (EU) 2022/2464 — CSRD