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INTERNATIONAL AND DOMESTIC PRACTICE OF INTANGIBLE ASSETS ACCOUNTING

In terms of innovative economy, oriented on European integration processes, one can observe constantly growing role and meaning of intangible assets in the business entities structure (especially those of public interest), which determine the need for more detailed analysis of their structure and accordingly their accurate assessment. Today there is a need for improvement of existing tools of intangible assets identification, their accounting, including assessment and analysis. Usage of the proposed tools will allow business entities to reach a new level of investment attractiveness, by means of giving management the most complete set of high-quality technology related to asset management. Constantly growing role of intangible assets in the process of values creation for Ukrainian business entities, insufficient knowledge of management issues and evaluation of their impact are matters of current importance for economic theory and business practice. In addition, the European choice of Ukraine requires standardization of legal support, improvement of national accounting and reporting system. That is the information basis for making reasonable management decisions. Today there are many contradictions in accounting for intangible assets. Firstly, this touches upon the essence, classification and assessment of transactions with intangible assets.

Conducted research of intangible assets recognition (regarding the countries of Western and Northern Europe, Australia, Canada, Japan, the USA and others) certifies different approaches to their separation, in particular: by essence, denial. Thus, during interpretation by essence, intangible assets are characterized by the lack of physical substance, that's why intangible assets must be identified and recorded in the line «Fixed Intangible Assets» in the balance sheet (e.g. in Ireland, England, Australia, the USA). During interpretation by denial, intangible assets include assets rather than material and financial items (e.g. in Austria, France, Germany, the Netherlands). At the same time, the legislation of most countries (Belgium, Denmark, Finland, Greece, Italy, Luxembourg, Portugal, Spain, Sweden, Australia, Japan, Norway and Switzerland) does not have interpretation of intangible assets. However, this division is rather conditional, since only several approaches of intangible assets recognition are mainly used in practice.

Conducted analysis shows that among 21 analyzed countries only four use the term intangible assets by essence (Ireland, England, Canada, the USA); in four – by denial (Austria, France, Germany, the Netherlands); in other thirteen countries (Belgium, Denmark, Finland, Greece, Italy, Luxembourg, Portugal, Spain, Sweden, Australia, Japan, Norway, Switzerland) definition is absent.

Scientific classification of intangible assets contributes to the methodological framework formation for their accounting, and accordingly affects the efficiency of economic and business management system.

The most concise definition of intangible assets is in the R(S)A 14 (Russia), and the most detailed one (Moldova) with full definition of each type. In the R(S)A 8

«Intangible Assets» (Ukraine) intangible assets are combined in groups with denotation of their structure and characteristics, which is very meaningful.

Conducted research certifies that during the recording of intangible assets object into the balance sheet, there is a number of necessary conditions, which are similar to all comparable standards, namely the possibility of future economic benefits and the opportunity to assess the value of an intangible asset with a high degree of probability.

An important condition of intangible assets accounting is assessment. We believe that the assessment of intangible assets is done by different ways, depending on the purpose of usage. Firstly, assessment of intangible assets is necessary for determination of the remuneration size to the object authors, and for determination of this object economic effect, which is used as the basis for the remuneration to authors. Secondly, while recording the intangible assets into the balance sheet of the business entity, this object is assessed for the purpose of its inclusion to the equity. Thirdly, while concluding license agreements one must determine the license price and conditions needed to conduct the assessment. Fourthly, the assessment is done during the mortgage operations, as well as property insurance. Fifthly, in case of rights violations one also needs to make the assessment in order to determine the amount of violation damage. Conducted research certifies that the main ways of intangible assets receipt by the company are implementation of long-term organization investments – acquisition or creation of intangible assets; contributions to equity by investors; free receipt from third parties; receipt for implementation of joint activities.

Thus, the results of international and national practice research (e.g. neighbouring countries and distant ones) of intangible assets accounting is advisable to note their ever-increasing role and importance required a more detailed analysis of the structure and accurate assessment.

Conducted analysis of the intangible assets scope certifies their resemblance in various countries. All of them determines the methodology of financial statements accounting and recording. Further resources investing into intangible assets, by means of buying objects from other organizations or generating private ones and significant recording of such transactions in accounting is the guarantee of financial stability, rise of competitiveness and success of business activity.