

## accounting guideline

### PSG-8

### purchased intangibles

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#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended substantially as a consequence of approving the amendments to TANGIBLE CAPITAL ASSETS, Section PS 3150.

- 5 Government not-for-profit organizations using the PS 4200 series of standards account for purchased intangibles in accordance with CAPITAL ASSETS HELD BY NOT-FOR-PROFIT ORGANIZATIONS, Section PS 4230.

#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of the 2022-2023 annual improvements.

- 2 Intangibles acquired through a transfer, 1 contribution or inter-entity transaction, 2 are not purchased intangibles.

#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- 6 Purchased intangibles are recognized as assets in financial statements when they meet the asset definition and the general recognition criteria in FINANCIAL STATEMENT CONCEPTS, Section PS 1000. The general application standard, ASSETS, Section PS 3210, provides guidance for applying the asset definition.
- 7 In determining how to account for purchased intangibles, similar to other items not specifically addressed in the PSA Handbook, an entity would consider:
  - (a) the definition of an asset in Section PS 1000;
  - (b) the guidance elaborating on the asset definition in Section PS 3210;
  - (c) the recognition, measurement and disclosure concepts in Section PS 1000; and
  - (d) the GAAP hierarchy in GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, Section PS 1150.

#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended substantially as a consequence of approving PUBLIC PRIVATE PARTNERSHIPS, Section PS 3160.

- 3 Software is accounted for in accordance with TANGIBLE CAPITAL ASSETS, Section PS 3150. 4
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## Footnotes

1. Transfers are defined in GOVERNMENT TRANSFERS, paragraph PS 3410.04.
  2. Inter-entity transactions are defined in INTER-ENTITY TRANSACTIONS, paragraph PS 3420.04(g).
  4. Software is classified as a tangible capital asset through the footnote to paragraph PS 3150.05(a).
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