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Dear Mr. Lie,

The World Intellectual Property Organization (WIPO) would like to thank the Institute of Valuers and Appraisers, Singapore (IVAS), the American Society of Appraisers (ASA), the Chartered Business Valuers Institute (CBV Institute), and the Royal Institution of Chartered Surveyors (RICS) for the opportunity to provide feedback on the proposed Intangible Asset Valuation Guide.

./ We are pleased to submit WIPO's high-level recommendations and technical observations, which are set out in the Annex to this letter.

Yours sincerely,

Marco M. Alemán  
Assistant Director General

## ANNEX

WIPO commends this collaborative initiative to strengthen the practical application of intangible asset valuation. The Guide provides a valuable complement to the International Valuation Standards (IVS 210) and other frameworks by clarifying how intangible assets should be assessed practically.

The Guide's nine focus areas comprehensively address the characteristics and risk factors of intangible assets, their identification as standalone or grouped assets, valuation inputs such as hypothetical royalty rates and economic lives, and additional analysis including sensitivity or scenario testing, corroborative analysis, and subsequent events. These elements collectively offer valuers guidance that goes beyond methodology selection, supporting a deeper understanding of the context, risks, and characteristics of intangibles. This contribution is particularly timely, as intangible assets represent an increasing share of enterprise value and demand robust and trusted valuation approaches.

The document uses both Guide and Guideline terminology. From WIPO's experience, distinguishing between these terms can be valuable. Guidelines typically convey high-level principles, while a Guide suggests a more practical reference for implementation. Given the practice-oriented insights that complement existing standards in this document, consistent use of the term Guide throughout may reflect its intended purpose to the valuation community.

### **High-level recommendations**

Upon reviewing the Guide, WIPO offers the following high-level comments that would further enhance its relevance and usability. These reflections build on the strong foundation already provided and highlight areas where additional emphasis or balance may strengthen its real-world application for valuers across different contexts:

#### **1. Enhanced balance across intangible asset categories**

While the Guide is intended to address the full spectrum of intangibles, some categories – including creative assets, marketing-related intangibles, brand-related intangibles, and data – are not reflected as prominently or with the same level of detail as technology-oriented assets. Ensuring more balanced coverage across categories could strengthen the Guide's inclusiveness and demonstrate clearer applicability across diverse industries.

#### **2. Expanded coverage of emerging intangible assets**

The Guide would benefit from more direct consideration of emerging intangible assets closely connected to intellectual property, such as data, algorithms, artificial intelligence models and trade secrets. Including specific references to these evolving asset categories would help maintain the Guide's relevance as new forms of assets gain importance in new business models and the modern economy.

#### **3. Proportionality and practitioner accessibility**

While the Guide appropriately emphasizes contextual factors and comprehensive risk assessment, it is crucial that the level of detail and complexity does not discourage its adoption. Striking the optimal balance will support both analytical rigor and widespread application across the valuation community.

#### 4. Integration of case studies and practical examples

Drawing on WIPO's experience conducting valuation workshops, the inclusion of integrated case studies and practical examples would significantly enhance the Guide's applicability. These would provide valuers with concrete scenarios to better understand and apply the actionable insights discussed throughout the Guide.

#### 5. Strategic emphasis of key messages

The Guide effectively conveys that valuation is highly context-dependent and requires consideration of multiple factors. In some instances, however, certain key messages could be emphasized more prominently to ensure they are readily apparent to practitioners. For example, in the risk analysis section, the explanation of potential double counting of risks at both the cash flow and discount factor levels could be highlighted more explicitly. This type of strategic emphasis would reinforce essential concepts without altering the underlying technical content.

#### Technical observations

The following technical considerations are based on WIPO's experience:

- **Characteristics of intangible assets:** The legal analysis would benefit from expanded discussion of ownership determination, as clearly establishing who holds and controls the rights to an intangible asset is critical in many valuation contexts.
- **Risk analysis:** The section provides a useful overview of tools for assessing risk and effectively illustrates how this analysis informs valuation approach selection. When discussing complex approaches such as real options, it would be valuable to highlight their practical implementation challenges, including parameter estimation difficulties and transparency considerations for end-users.
- **Determining hypothetical royalty rates:** This focus area is highly relevant and practical, particularly for licensing contexts and the relief-from-royalty method. One aspect that warrants further elaboration is the definition of the royalty base (e.g. unit-based, net sales, or profit-based), as this choice can significantly influence both licensing practice and the identification of comparable agreements in valuation analysis.

In conclusion, WIPO views the proposed Guide as a valuable addition to the valuation community's resources. By providing detailed guidance on contextual factors, risks, and valuation parameters, it enhances due diligence standards and strengthens valuers' ability to deliver credible and transparent assessments of intangible assets. WIPO appreciates the opportunity to participate in this consultation process and looks forward to any further dialogue on these observations.

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