



Towards Valuation,  
Measurement  
and Disclosure

# EFFAS CIC

EFFAS COMMISSION ON INTELLECTUAL CAPITAL



EFFAS THE EUROPEAN FEDERATION  
OF FINANCIAL ANALYSTS SOCIETIES

## INTRODUCTION

Corporate valuation is a process that requires both quantitative and qualitative elements, combined with a large degree of knowledge and judgement. As such, information on Intellectual Capital plays an important role in shaping analysts' conclusions. There is a growing demand for Intellectual Capital disclosure on the corporate side.

The Intellectual Capital Report describes the development of expertise, competencies and the capabilities of human capital, brand trustworthiness, strategies, R&D and innovation, relational capital and corporate governance, which have become increasingly important as value drivers and assets for the company.

Seen in this light, the Intellectual Capital Report lists the company's future potential, a measure of its capacity to compete in the market, and it may also herald the first signs of weakness which, if not managed in time, could mean difficulties for the company.

As users, investment professionals and their associations support this approach and they may play an important role in defining the information needed for an effective analysis, thus raising the awareness of the importance of Intellectual Capital Reporting in the financial community.

EFFAS supports the growing attention and commitment of its member societies towards Intellectual Capital Reporting, which is an issue of the greatest importance for investment professionals.

With the latest activities of the OECD, Japan and U.S. FED experts in the field of Intellectual Capital, the main players in Europe should join forces to be even more visible on a global scale.

Due to the fact that the topic is gaining interest world-wide, and as Europe is still at the forefront of these developments, it is important for EFFAS to combine efforts and be among the initiators.

## TASKS AND OBJECTIVES OF CIC

1. Establishment and coordination of a consistent position by EFFAS on all relevant questions regarding Intellectual Capital valuation, measurement and disclosure
2. Identification and bundling of expertise regarding the issue of Intellectual Capital within the community of European financial analysts
3. Development of an overview of the current initiatives and experiences in US, Europe and Asia, and establishment of good contacts and a network of excellence with major experts world-wide
4. Institutionalise CIC as a global hub and single point of contact of EFFAS for the discussion and development of new approaches regarding Intellectual Capital, based on the rich specific knowledge and experience of the community of financial analysts in Europe
5. Support of the relevant task forces and working groups of the EU, OECD and other institutional initiatives on the issue by providing expertise and contributing to the development of a European and global framework
6. Represent EFFAS at international conferences dealing with Intellectual Capital and organising EFFAS-events on the topic together with international partners
7. Provision of information on the milestones in CIC activities on the EFFAS-website

## STRUCTURE AND ORGANISATION



**Chairman:**  
Giampaolo Trasi  
AIAF, Italy



**European Coordinator:**  
Alexander G. Welzl  
ÖVFA, Austria

Commission Members from selected national organisations form the core team of CIC. The aim of the group is to assemble individuals with expertise in the subject area.

Some European countries are already involved in this topic at different levels for several years. The CIC Commission was set up following the EFFAS Annual General Meeting in 2006.

## MEETINGS AND COMMUNICATION

Conferences and Workshops, for a selected range of experts and as a means of structured dialogue with stakeholders, will be organised with international partners based on the questions and findings of this Commission.

Information on CIC's current activities and results can be found on the CIC website on the EFFAS homepage:

<http://www.effas.com/en/commissions.htm>