

MINUTES



Financial Accounting
Standards Board

To: Board Members

From: Statement 140 Amendment Team
(Stell, ext. 211)

Subject: Minutes of the December 10, 2003 Board Meeting **Date:** December 17, 2003

cc: Bielstein, Smith, Petrone, Leisenring, Project Team, Mahoney,
Thompson, Vincent, Sutay, Gabriele, Swift, Polley, FASB Intranet
(e-mail)

Topic: Reconsideration of Issues in the
Proposed Revised Exposure Draft

Basis for Discussion: Board memorandum 19 dated
December 4, 2003

Length of Discussion: 3:00 p.m. to 3:20 p.m.

Attendance:

Board members present: Herz, Trott, Schipper, Crooch, and
Seidman

Board members absent: Batavick and Schieneman

Staff in charge of topic: Donoghue

Other staff at Board table: Smith, Lusniak, and Stell

Outside participants: Leisenring (IASB)

Summary of Decisions Reached:

The Board discussed issues that have arisen in the redrafting of the amendment to FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, and directed the staff to perform additional research on issues related to the distinction between *undivided interests* and *beneficial interests*. At the October 1, 2003 meeting, the Board decided to amend paragraphs 80–84 and various related paragraphs of Statement 140 to require that an entity that issues either beneficial interests or undivided interests be a qualifying special-purpose entity (SPE) in order to satisfy the criteria in paragraph 9(b) of that Statement. Also, at that meeting, the Board noted that a qualifying SPE would be required for any transfer of a portion of a financial asset.

The Board deferred a decision to reconsider the provisions related to the accounting treatment for undivided interests and beneficial interests pending completion of additional research that should be completed by the end of January.

Matters Discussed and Decisions Reached:

Same as Summary of Decisions Reached, above.

Follow-up Items:

None.

General Announcements:

None.