

MINUTES



Financial Accounting
Standards Board

To: Board Members
From: Andrews (x354)
Subject: Minutes of the December 16, 2010 Board Meeting **Date:** December 20, 2010
cc: FASB: Bielstein, Stoklosa, Chookaszian, Lott, Posta, Guasp, Sutay, Klimek, Gabriele, Maroney, Andrews, FASB Intranet;
IASB: Francis, Teixeira, Lloyd, Kusi-Yeboah, Davidson

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Balance Sheet-Offsetting

Basis for Discussion: FASB memorandum No. 9A, Multilateral netting arrangements

FASB memorandum No. 9B, Disclosure requirements

FASB memorandum No. 9C, Transitional requirements

FASB memorandum No. 9D, Legal enforceability of unconditional right of offset (for informational purposes only)

FASB memorandum No. 9E, Disclosure requirements (a revision of Memo 9B)

Length of Discussion: 6:15 to 6:45 a.m. EST

Attendance:

- Board members present: FASB: Golden, Seidman, Smith, Siegel, and Linsmeier
IASB: Tweedie, Cooper, Danjou, Engstrom, Finnegan, Gomes, Kalavacherla, Konig, McConnell, McGregor, Pacter, Scott, Smith, Yamada, Wei-Guo
- Board members absent: None
- Staff in charge of topic: FASB: Maroney
IASB: Kusi-Yeboah
- Other staff at Board table: IASB: Teixeira
FASB: Stoklosa, Andrews
- Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Boards met to discuss issues relating to the development of a proposed Accounting Standards Update addressing offsetting financial assets and financial liabilities on the face of the statement of financial position.

The Board's technical plan calls for that document to be issued in the first quarter of 2011.

Summary of Decisions Reached:

The Boards continued their discussion from the December 14, 2010 joint meeting. The Boards decided that an entity should provide information about financial assets and liabilities subject to offset, and related arrangements (such as collateral agreements), and the effect of those arrangements on an entity's net exposure, by category of financial instrument, including:

1. The gross carrying amount
2. Amounts deducted as a result of the proposed offset criteria to determine the carrying amounts in the statement of financial position
3. The portion of the exposures that is covered by a legally enforceable netting agreement (other than in (2))
4. The amount of financial instrument collateral (cash collateral and fair value of noncash financial asset collateral should be separately disclosed) obtained or pledged in respect to those assets and liabilities

5. The net exposure after taking into account the effect of the items in (2) – (4).

This information should be presented in a single note and in a tabular format, unless another format is more appropriate. Additionally, financial assets and financial liabilities should be separately disclosed.

Additionally, the Boards decided that an entity would also be required to provide a description of the nature of offset agreements for the amounts included in item (3) above.

The Boards directed the staff to prepare an Exposure Draft for vote by written ballot.

General Announcements: None