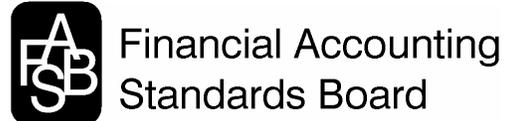


MINUTES



**To:** Board Members

**From:** Business Combinations—Purchase  
Method Procedures Team (Hansen, ext. 298)

**Subject:** Minutes of the April 27, 2005 Board Meeting: Business Combinations—  
Comment Period and Effective Date **Date:** May 2, 2005

**cc:** FASB: Bielstein, Smith, Petrone, Bossio, Tamulis, McIntosh, Posta, Hansen, Goodman, Cropsey, Zeyher, Gerard, Polley, Gabriele, Getz, Mahoney, Sutay, Intranet; IASB: Leisenring, Upton, Ryltsova; CICA: Walsh

*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 a final Statement or Interpretation.*

**Topic:** Comment Period and Effective Date

**Basis for Discussion:** Two Memorandums (“Comment Period and Effective Date,” dated March 2, 2005, and “Summary of IASB Comment Period and Effective Date Decisions,” dated April 14, 2005)

**Length of Discussion:** 9:00 a.m. to 9:10 a.m.

**Attendance:**

Board members present: FASB: Herz, Batavick, Crooch, Schipper, Seidman, Trott, Young  
IASB: Leisenring

Board members absent: None

Staff in charge of topic: Tamulis, Hansen

Other staff at Board table: Bielstein, Bossio, McIntosh, Posta, Goodman

Outside participants: Ryltsova (IASB)

Summary of Decisions Reached:

The Board discussed the comment period and effective date for the forthcoming Exposure Drafts on business combinations and noncontrolling interests. The Board decided to allow a 120-day comment period for both Exposure Drafts. The Board also decided that the target effective date for both proposed Statements would be for annual periods beginning on or after December 15, 2006.

Objective of Meeting:

The objective of the meeting was to reconsider the comment period and effective date for the forthcoming Exposure Drafts on business combinations and noncontrolling interests. The objective of the meeting was met.

Matters Discussed and Decisions Reached:

1. Ms. Tamulis opened the meeting by reporting that:
  - a. The preballot draft of the business combinations Exposure Draft would be distributed to the Board on April 29, 2005, with comments due by May 12, 2005.
  - b. The staff expects to issue the Exposure Drafts on business combinations and noncontrolling interests at the end of June 2005.
  - c. One Board member has provided an alternative view on the business combinations Exposure Draft.
2. Ms. Bielstein asked whether any other Board members are planning to provide an alternative view to the business combinations Exposure Draft. Board members responded that no other alternative views were expected.
3. Mr. Hansen asked the Board to reconsider the comment period for the business combinations (including combinations between mutual entities) and noncontrolling interests Exposure Drafts and the effective date for those proposed Statements. He reported that at its March 2005 meeting the IASB decided on a 120-day comment period, which would include the time needed by the national standard setters to translate the Exposure Drafts. He also reported that the IASB decided that the target effective date for both proposed Statements should be for annual periods beginning on or after January 1, 2007. Mr. Hansen stated that the IASB decided to indicate in the Exposure Drafts that

the proposed effective date is expected to be three to six months after the issuance of the final Statements. He also stated that the staff recommends that the Board allow a 120-day comment period for both Exposure Drafts and that the proposed Statements be effective for annual periods beginning on or after December 15, 2006.

4. The Board unanimously agreed with the staff's recommendation. However, Mr. Batavick stated his preference that the period between the final issuance date and the effective date for the proposed Statements be approximately six months, rather than as short as three months. In order to meet this time table, he noted that the final Statements would need to be issued by mid-2006.

5. Mr. Bossio stated that the staff would consider scheduling roundtable discussion meetings before the comment period ends to help meet the mid-2006 goal.

Follow-up Items:

None.

General Announcements:

None.