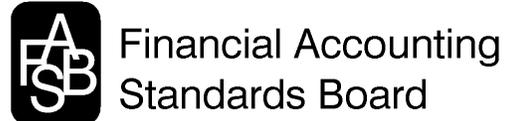


MINUTES



To: Board Members

From: Fair Value Measurement Team
(Jourdan x273, Mohrhauser x442)

Subject: Minutes of March 11, 2010, Joint Board Meeting: Fair Value Measurement **Date:** March 15, 2010

cc: FASB: Bielstein, Golden, Stoklosa, Chookaszian, Lott, Posta, Guasp, Sutay, Klimek, Gabriele, Anderson, Mills, Inzano, McGarity, Proestakes, FASB Intranet; IASB: Leisenring, Francis, Eastman, Venter

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: Fair Value Measurement— March deliberations

Basis for Discussion: Board memorandum 5

Length of Discussion: 11:45 a.m. – 12:45 p.m. EST

Attendance:

Board members present: FASB: Herz, Seidman, Smith, Siegel, and Linsmeier
IASB: Tweedie, Cooper, Danjou, Engström Finnegan, Gelard, Gomes, Kalavacherla, Leisenring, McConnell, McGregor, Smith, Yamada, Zhang

Board members absent: Garnett

Staff in charge of topic: Eastman, Anderson

Other staff at Board table: Golden, Proestakes, Jourdan, Mohrhauser
IASB: Clark, Venter, Berger

Outside participants: none

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft addressing fair value measurement.

The Board's technical plan calls for that Exposure Draft to be issued in May 2010.

Summary of Decisions Reached:

Measuring the fair value of financial instruments within a portfolio

The Boards tentatively decided to permit an exception to fair value measurement principles by permitting entities to use mid prices as a basis for establishing fair values for offsetting market risk positions (e.g., interest rate risk, currency risk, or other price risk) and to apply the price within the bid-ask spread that is most representative of fair value to the net open risk position. To use this exception, an entity must:

1. Manage its financial instruments on the basis of the net open risk position in accordance with the entity's documented risk management strategy
2. Manage the net open risk position in a consistent manner from period to period.

In addition:

1. The market risks that are being offset must be substantially the same.
2. The financial instruments must share common characteristics.
3. The financial instruments must be measured at fair value on a recurring basis.

(IASB: 13 to 2, FASB: 3 to 2)

The Boards also tentatively decided to clarify that entities are permitted to consider offsetting counterparty credit risk positions when measuring the fair value of financial instruments when there is a legally enforceable right of offset (e.g., a master netting agreement) with the counterparty in the event of default.

(IASB: 13 to 2, FASB: 3 to 2)

General Announcements: None.