

MINUTES



Financial Accounting
Standards Board

To: Board Members
From: Andrews (x354)
Subject: Minutes of the September 15, 2010
Board Meeting: Balance Sheet - Offsetting **Date:** September 17, 2010
cc: FASB: Bielstein, Golden, Stoklosa, Chookaszian, Lott, Posta, Guasp,
Sutay, Klimek, Gabriele, Worshek, Bhave, Andrews, FASB Intranet;
IASB: Davidson, Francis, Teixeira, Kusi-Yeboah

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: Usefulness and Appropriateness of Offsetting, including related user feedback and the usefulness and appropriateness of offsetting based on different types of risks

Basis for Discussion: FASB memorandum:
No. 2 – Cover Note
No. 3 – Analysis of Offsetting Based on Different Types of Risks
No. 4 – Usefulness and Appropriateness of Offsetting
No. 5 – User Outreach
No. 6 – Legal Enforceability

Length of Discussion: 7:00 a.m. to 8:40 a.m. EDT

Attendance:

Board members present: FASB: Herz, Seidman, Smith, Siegel, and Linsmeier
IASB: Tweedie, Cooper, Danjou, Engström, Finnegan, Gomes, Kalavacherla, König,

McConnell, McGregor, Pacter, Smith, Yamada,
Wei-Guo

Board members absent: None

Staff in charge of topic: FASB: Worshek
IASB: Kusi-Yeboah

Other staff at Board table: IASB: Teixeira, Francis, Davidson, Fukuzawa
FASB: Golden, Stoklosa, Bhave, 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 fourth quarter of 2010.

Summary of Decisions Reached:

The Boards discussed whether, and when, offsetting of financial assets and liabilities on the statement of financial position provides useful information or is appropriate.

The Boards concluded that the following factors may be helpful in determining when offsetting provides useful information or is appropriate and that these factors should be considered in determining the basis for offsetting of financial assets and liabilities on the statement of financial position:

1. Whether the parties need to have the ability to offset or settle net
2. Whether the parties need to demonstrate an intent to settle net
3. Whether the amounts owed under the respective contracts should be settled on the same date or have the same maturity or be settled simultaneously
4. Whether the asset and liability should have the same underlying risk
5. Whether offsetting should be based on bilateral or multilateral netting arrangements.

The Boards will discuss those factors at a future meeting.

General Announcements: None