

MINUTES



Financial Accounting
Standards Board

To: Board Members
From: Definition of a Nonpublic Entity
Team (Nolan x353)
Subject: Minutes of the June 6, 2012 Board Meeting
Date: June 7, 2012
cc: **Sutay**

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: Definition of a Nonpublic Entity

Basis for Discussion: FASB Memo 8: A Private Company that (a) is Controlled by a Public Company or (b) Controls a Public Company
FASB Memo 9: Applicability to Employee Benefit Plans

Length of Discussion: 9:40 to 10:45 am

Attendance:

Board members present: Buck, Golden, Linsmeier, Schroeder, Seidman, Siegel, Smith

Board members absent: None

Staff in charge of topic: Gagnon

Other staff at Board table: Catalano, Mechanick, Nolan

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the definition of a private company. The definition of a private company will be included in the draft private company decision-making framework that will be exposed in the form of a Discussion Paper.

The Discussion Paper is expected to be released in the third quarter of 2012.

Summary of Decisions Reached:

The Board decided that a company that otherwise meets the characteristics of a private company as defined in this project would be deemed a private company for financial reporting purposes if:

1. It is a consolidated subsidiary of an entity that is a public company, or

(4 to 3)

2. One of its controlled and consolidated subsidiaries is a public company.

(5 to 2)

The Board also decided that an employee benefit plan would not be deemed a private company for financial reporting purposes.

(Unanimous)