

MINUTES



**To:** FASB Board Members  
**From:** Accounting for Financial Instruments Team  
**Subject:** September 5, 2012 FASB Board Meeting—Accounting for Financial Instruments: Classification and Measurement  
**Date:** September 6, 2012

*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: Accounting for Financial Instruments: Classification and Measurement

Basis for Discussion: Memorandums 170A and 194

Length of Discussion: 10:10 a.m. to 10:35 a.m. EDT

Attendance:

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

Board members absent: None

Staff in charge of topic: Rayfield and Tyson

Other staff at Board table: Green, Laungani, Shah, Stoklosa, and Zimmerman

Outside participants: Wiesner and Cancro (IASB)

**Type of Document and Timing Based on the Technical Plan:**

The Board met to discuss issues relating to the development of an Accounting Standards Update addressing the accounting for financial instruments. The Board's technical plan calls for an exposure document to be issued during the fourth quarter of 2012.

**Summary of Decisions Reached:**

*Request to Accelerate Decision on Presentation of Changes in Fair Value Attributable to Changes in Own Credit Risk*

The Board discussed whether to accelerate the Board's tentative decision in the classification and measurement project regarding the presentation of changes in fair value attributable to changes in own credit risk for financial liabilities for which the fair value option has been elected. The Board decided not to accelerate the implementation of its tentative decision on the presentation of changes in own credit risk in other comprehensive income.

Six Board members voted in favor of this decision.

*Measurement of Foreign Currency Gain or Loss on Foreign Currency Denominated Debt Instruments Classified at FVOCI*

The Board discussed the measurement of foreign currency gain or loss on foreign currency denominated debt instruments classified at fair value through other comprehensive income (FVOCI). The Board decided that an entity should calculate the measurement of the foreign currency gain or loss using a method based on fair value of the instrument, for example, by measuring the instrument at fair value in the foreign currency times the difference between the end of period spot exchange rate and the beginning of the period spot exchange rate. Other fair-value-based approaches also would be appropriate, and the method would be applied consistently period over period. Investment companies would continue to apply the method in Subtopic 946-830, Financial Services—Investment Companies—Foreign Currency Matters.

Seven Board members voted in favor of this decision.