

MINUTES



MEMORANDUM

To: Board Members
From: Jensen, x353
Subject: Minutes of the March 4, 2015,
Disclosure Framework Board Meeting
Date: March 10, 2015
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: Disclosure Framework: Disclosure Review—Fair Value Measurement

Basis for Discussion: FASB Memo No. 68
FASB Memo No. 69

Length of Discussion: 9:00 a.m. to 11:30 a.m. (EST)

Attendance:

Board members present: Golden, Buck, Linsmeier, Schroeder, Siegel, Smith
Board members absent: Kroeker (voted via proxy to the Chairman)
Staff in charge of topic: Friend
Other staff at Board table: Cappiello, Proestakes, Dordik, Smith, Maroney, Jensen, Floyd
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 disclosures related to fair value measurement.

The Board has not yet determined the timing of the release of the Exposure Draft.

Tentative Board Decisions:

The Board discussed how it might change disclosure requirements to further promote the use of discretion by reporting entities. The Board also discussed how some of those changes could be applied to disclosures about fair value measurements.

The Board discussed potential changes to disclosure requirements for Topic 820, Fair Value Measurement, and made the following decisions to:

1. Remove the following existing disclosure requirements:
 - a. The policy for timing of transfers between levels **(Vote: 7 to 0)**
 - b. The internal valuation processes for Level 3 fair value measurements **(Vote: 7 to 0)**
 - c. The amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy **(Vote: 4 to 3)**
 - d. For private companies, the change in unrealized gains and losses for the period included in earnings (or changes in net assets) related to recurring Level 3 fair value measurements held at the end of the reporting period. **(Vote: 5 to 1, 1 abstain)**
2. Modify the following existing disclosure requirements:
 - a. For private companies, no longer require a reconciliation of the opening balances to the closing balances of recurring Level 3 fair value measurements. However, those companies would be required to disclose transfers into and out of Level 3 of the fair value hierarchy and purchases of Level 3 assets. **(Vote: 6 to 0, 1 abstain)**
 - b. For investments in certain entities that calculate net asset value, require disclosure of the estimated timing of liquidation of an investee's assets and the date when restrictions from redemption might lapse *only* if the investee has communicated that information to the reporting entity, either directly or indirectly. **(Vote: 7 to 0)**
3. Add the following disclosure requirement:
 - a. The changes in unrealized gains and losses for the period included in other comprehensive income and earnings (or changes in net assets) for recurring Level 1, Level 2, and Level 3 fair value measurements held at the end of the reporting period. This addition would not apply to private companies. **(Vote: 4 to 3)**

General Announcements: None.