

MINUTES



MEMORANDUM

To: Board Members
From: Floyd, x384
Subject: Minutes of the October 7, 2015,
Disclosure Framework Board Meeting
Date: October 8, 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. 83A
FASB Memo No. 83B

Length of Discussion: 10:30 a.m. to 11:30 a.m. (EDT)

Attendance:

Board members present: Golden, Buck, Linsmeier, Schroeder, Siegel, and Smith
Board members absent: Kroeker (voted via proxy to the Chairman)
Staff in charge of topic: Maroney and Friend
Other staff at Board table: Cospers, Proestakes, Cappiello, Smith, and 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 disclosures about the uncertainty inherent in Level 3 fair value measurements and made the following decisions:

1. The disclosure required by paragraph 820-10-50-2(g) will be retained, but the Board will clarify that the purpose of the disclosure is to communicate information about the uncertainty in measurement at the reporting date and not to provide information about sensitivity to future changes. **(Vote: 7 to 0)**
2. The quantitative information about significant unobservable inputs used in the fair value measurement required by paragraph 820-10-50-2(bbb) should include both (a) the range of the unobservable inputs used and (b) the weighted average of the unobservable inputs used, as depicted by the illustration in paragraph 820-10-55-103. **(Vote: 7 to 0)**
3. Disclosure of the time period used to develop any significant unobservable inputs that are based on historical data would be required. **(Vote: 4 to 3)**

The Board decided that those changes would not apply to private companies.

(Vote: 4 to 3)

The Board discussed a proposed method of transition, deciding that proposed changes to disclosures about changes in unrealized gains and losses and the changes described in items 2 and 3 above would be applied prospectively beginning in the period of adoption.

(Vote: 7 to 0)

Entities would apply all other changes in disclosures retrospectively to all periods presented.

(Vote: 4 to 3)

The Board also discussed comment period, deciding that the proposed changes would be exposed 75 days or until February 29, 2016, whichever is longer.

(Vote: 4 to 3)

General Announcements: None.