

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Akinwale (x443)  
**Subject:** Minutes of May 3, 2017 Board Meeting  
**Date:** May 12, 2017  
**cc:** Tosches

*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: Technical Corrections and Improvements:  
Improvements to the Codification

Basis for Discussion: FASB Memo 2: Improvements to Topic 995,  
U.S. Steamship Entities  
  
FASB Memo 3: Improvements to Subtopic 942-  
740, Financial Services—Depository and  
Lending—Income Taxes

Length of Discussion: 10:00 am to 10:40 am

Attendance:

Board members present: Golden, Kroeker, Botosan, Monk, Schroeder,  
Siegel, and Smith

Board members absent: None

Staff in charge of topic: Cafini

Other staff at Board table: Guasp and Akinwale

Outside participants: None

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

The Board met to discuss issues relating to the development of two proposed Accounting Standards Updates addressing proposed improvements to simplify the content and structure of Topic 995, U.S. Steamship Entities, and Subtopic 942-740, Financial Services—Depository and Lending—Income Taxes.

The Board's technical plan calls for the documents to be issued in the second quarter of 2017.

**Tentative Board Decisions:**

*Topic 995, U.S. Steamship Entities*

The Board decided that the guidance in Topic 995 should be superseded and all entities should recognize any remaining unrecognized deferred tax liabilities that are related to deposits in statutory reserves in accordance with Topic 740, Income Taxes.

(Vote: 6-1 [1 by proxy])

The Board decided that the forthcoming proposed amendments should be effective upon issuance of a final Accounting Standards Update.

(Vote: 7-0 [1 by proxy])

The Board also decided that entities should disclose the type of temporary difference for which a deferred tax liability had not previously been recognized.

(Vote: 7-0 [1 by proxy])

The Board concluded that it has received sufficient information and analysis on the proposed changes to make an informed decision on the issues presented.

(Vote: 6-1 [1 by proxy])

*Subtopic 942-740, Financial Services—Depository and Lending—Income Taxes*

The Board decided that the transition guidance in Subtopic 942-740 for bad debt reserves of savings and loans (and other qualified thrift lenders) that arose after December 31, 1987, should be superseded.

(Vote: 7-0 [1 by proxy])

The Board also decided that the guidance related to the Comptroller of the Currency's Banking Circular 202, Accounting for Net Deferred Tax Charges, should be superseded.

(Vote: 7-0 [1 by proxy])

The Board decided to create a cross-reference in Subtopic 740-30, Income Taxes—Other Considerations or Special Areas, to the remaining guidance in Subtopic 942-740 on bad debt reserves of savings and loans that are recognized on or before December 31, 1987 for which no deferred income taxes have been recognized.

(Vote: 7-0 [1 by proxy])

The Board decided that the forthcoming proposed amendments should be effective upon issuance of a final Accounting Standards Update.

(Vote: 7-0 [1 by proxy])

*Cost and Benefits*

The Board also concluded that the expected benefits of the two proposed amendments would justify the costs.

(Vote: 7-0 [1 by proxy])

**General Announcements:** The Board directed the staff to draft two separate proposed Accounting Standards Updates for vote by written ballot, with a comment period of 60 days.