

MINUTES



MEMORANDUM

To: Board Members

From: Accounting for Financial Instruments
Team: Credit Losses
Implementation

Subject: Minutes of July 25, 2018 Board Meeting

Date: August 1, 2018

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: Financial Instruments—Credit Losses

Basis for Discussion: FASB Memo No. 9, “Codification Improvements—Update 2016-13: Financial Instruments—Credit Losses”

Length of Discussion: 9:45 a.m. to 10:00 a.m. (EDT)

Attendance:

Board members present: Golden, Kroeker, Botosan, Buesser, Hunt, and Schroeder

Board members absent: None

Staff in charge of topic: Romano

Other staff at Board table: Cospers, Kuhaneck, LaFrano, and Jepsen

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the implementation of Accounting Standards Update No. 2016–13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*.

Tentative Board Decisions:

The Board discussed two proposed amendments to the guidance in the amendments in Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The proposed amendments would clarify the Board’s original intent to:

1. Provide separate and staggered effective date requirements for SEC filer public business entities (PBEs), non-SEC filer PBEs, and all other entities (non-PBEs) by amending paragraph 326-10-65-1 to require that non-PBEs adopt the amendments in Update 2016-13 for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years.

(Vote: 6-0)

2. Exclude operating lease receivables from the scope of Subtopic 326-20.

(Vote: 6-0)

Analysis of Costs and Benefits

The Board concluded that it has received sufficient information and analysis to make an informed decision on the issues presented and that the expected benefits of the proposed amendments justify the expected costs.

(Vote: 6-0)

Next Steps

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot with a 30-day comment period.

(Vote: 6-0)

General Announcements: None.