

MINUTES



MEMORANDUM

**To:** Board Members

**From:** Accounting for Financial Instruments Team

**Subject:** Minutes of the January 29, 2020 Board Meeting      **Date:** February 6, 2020

*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: Codification Improvements to Financial Instruments

Basis for Discussion: FASB Memo No. 1, "Comment Letter Feedback Summary for Codification Improvements & Redeliberations"

Length of Discussion: 9:00 a.m. to 9:14 a.m. EST

Attendance:

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

Board members absent: None

Staff in charge of topic: Shah

Other staff at Board table: Kuhaneck, Mohomed, Cryderman, Lesser, and Anwer

Outside participants: None

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

The Board met to discuss comment letter feedback related to the proposed Accounting Standards Update, *Codification Improvements to Financial Instruments*.

**Tentative Board Decisions:**

The Board discussed a summary of comments on seven financial instrument amendments and decided to finalize these amendments separately from the November 2019 proposed Accounting Standards Update, *Codification Improvements*.

The Board affirmed its decision on the following items:

1. Fair value option disclosures
2. Applicability of portfolio exception in Topic 820, Fair Value Measurement, to nonfinancial items
3. Disclosures for depository and lending institutions
4. Cross-reference to line-of-credit or revolving debt arrangements guidance in Subtopic 470-50, Debt—Modifications and Extinguishments
5. Cross-reference to net asset value practical expedient in Subtopic 820-10, Fair Value Measurement—Overall
6. Interaction of Topic 842, Leases, and Topic 326, Financial Instruments—Credit Losses
7. Interaction of Topic 326 and Subtopic 860-20, Transfers and Servicing—Sales of Financial Assets.

**[Vote: 7–0]**

*Effective Date and Transition Requirements*

The Board affirmed its decision on the effective date and transition requirements.

**[Vote: 7–0]**

*Analysis of Costs and Benefits*

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

**[Vote: 7–0]**

*Next Steps*

The Board directed the staff to draft a final Accounting Standards Update for vote by written ballot.

**[Vote: 7–0]**

**General Announcements:** None.