

MINUTES



To: Board Members
From: Vaheb (ext. 298)
Subject: Minutes of the June 18, 2008 Board Meeting (Short-Term Convergence, Earnings per Share) **Date:** June 27, 2008
cc: FASB: Golden, Bielstein, MacDonald, Cospers, Proestakes, Stoklosa, Leisenring, Chookaszian, Posta, Lott, Klimek, Project Team, Switter, Lipe, Allen, C. Smith, Glotzer, Mechanick, Sutay, Gabriele, FASB Intranet; IASB: Upton, Stewart, Clark, Buschhueter

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 a final Statement or Interpretation.

Topic: Short-Term Convergence—Earnings per Share

Basis for Discussion: Memorandum 15 dated June 13, 2008

Length of Discussion: 9:30 to 9:45 a.m.

Attendance:

Board members present: Herz, Batavick, Crooch, Smith, Linsmeier, Young, and Seidman (Phone)
Board members absent: None
Staff in charge of topic: Wyatt
Other staff at Board table: Vaheb, Bielstein, and Golden
Other participants: None

Summary of Decisions Reached:

The Board reached the following decisions in addressing the effective date for the proposed Statement to amend FASB Statement No. 128, *Earnings per Share*.

1. The Board decided not to provide a specific effective date in the revised FASB Exposure Draft, *Earnings per Share*. Rather, the Board will determine the effective date after it completes redeliberations of the revised Exposure Draft. The Board did decide, however, that the revised Exposure Draft should indicate that a final Statement would be effective as of the beginning of a fiscal year.

Objective of Meeting:

The objective of the meeting was for the Board to decide whether to specify an effective date for the proposed amendments to Statement 128 in the revised Exposure Draft on earnings per share. The objective of the meeting was met.

Matters Discussed and Decisions Reached:

1. At the July 25, 2007 Board meeting, the Board decided that the proposed amendments to Statement 128 should be effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The Board also decided that the comment period for the revised Exposure Draft should be 120 days. The staff currently anticipates that the proposed Statement will be exposed in July 2008 and that the comment period will end in November 2008. Therefore, the staff projects that the final Statement will be issued in June 2009.

Effective Date

Staff Recommendation

2. Ms. Wyatt stated that the staff recommends that the revised Exposure Draft does not provide a specific effective date but instead indicates that a final Statement would be effective as of the beginning of a fiscal year. This would also be consistent with the

IASB's practice and the IASB's Exposure Draft to amend IAS 33, *Earnings per Share*. The staff also believes that it is difficult to determine a likely effective date before understanding the nature of respondents' comments and the time it will take to consider them.

Board Vote

3. The Board unanimously agreed with the staff's recommendation to not specify an effective date in the revised Exposure Draft.

Board Comments

4. Mr. Herz stated that he agreed with the staff's recommendation because he believes it will give the Board the opportunity to consider its deliberations on the Liabilities and Equity project and the convergence timeline in establishing a final effective date.

Follow-up Items:

None

General Announcements:

None