

MINUTES



**Financial Accounting
Standards Board**

To: Board Members

From: Convergence Team
(Nesta, ext. 330)

Time Code:
C/Resrh/Converge

Subject: Minutes of the October 2, 2002,
Board Meeting

Date: October 4, 2002

cc: Bielstein, Leisenring, Petrone, Smith, Swift, Polley, Project Team,
Thompson, Allen (GASB), Bean (GASB), FASB Intranet (e-mail), Vincent
(2), Sutay, Gabriele

Topic: Addition of an International Convergence to the
Agenda

Basis for Discussion: Staff memorandum dated September 20, 2002

Length of Discussion: Starting Time: 9:00 a.m.
Concluding Time: 9:30 a.m.

Attendance:

Board members present: Messrs. Herz, Crooch, Foster, Schieneman, Trott,
Wulff, and Ms. Schipper

Board members absent: None

Staff in charge of topic: J. Johnson

Other staff at Board table: Bielstein, Coburn, Leisenring, Nesta, Tovey

Matters Discussed, Decisions Reached, and Follow-up Action

The Board added a short-term international convergence project to its agenda that will be conducted jointly with the IASB, and also set December 31, 2003, as the target date for issuance of a final Statement related to the project. The Board authorized the staff to continue and expand its research project on international convergence.

Mr. Johnson opened the discussion and summarized the staff's proposal to add a short-term convergence project to the Board's agenda, to limit the scope of the project to those differences in which convergence around a high-quality solution would appear to be achievable in the short-term, and to select December 31, 2003, as the target date for issuance of a final Statement. Mr. Johnson also summarized the staff's proposal to

expand its research project on international convergence to identify all substantive differences between FASB and IASB GAAP and catalog those differences based upon the Board's strategy for resolving each difference. As part of the research project, the staff would recommend additional agenda decisions to the Board to further the Board's objectives with respect to international convergence.

The Board agreed with the staff's proposals. The Board noted that the convergence project would eliminate some differences between FASB and IASB GAAP but would not necessarily eliminate reconciling items for foreign private issuers filing IASB GAAP financial statements with the SEC. The Board also noted that while the differences between FASB and IASB GAAP and the alternatives for dealing with those differences may be easy to identify, resolving those differences in the short-term could be significantly more difficult. The Board agreed that it is important to communicate to constituents that the project will result in changes to IASB GAAP in addition to the changes made to FASB GAAP.

Mr. Herz then asked if any Board member opposed the addition of the short-term convergence project to the agenda or the continuation of the research project as proposed by the staff. No Board members objected.

General Announcements

None

Summary for Action Alert

Same as first paragraph of Matters Discussed, Decisions Reached, and Follow-up Action