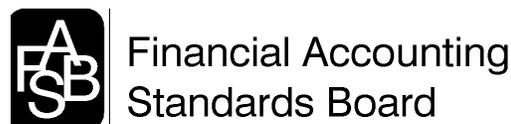


MINUTES



To: Board Members
From: Fair Value Measurement Team
(Jourdan, ext. 273)
Subject: Minutes of the January 20, 2010, Joint Board Meeting: Fair Value Measurement
Date: January 25, 2010
cc: FASB: Bielstein, Golden, Stoklosa, Chookaszian, Lott, Posta, Guasp, Sutay, Klimek, Gabriele, Anderson, Mills, Inzano, McGarity, Proestakes, FASB Intranet; IASB: Leisenring, Francis, Eastman, Venter

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.

Topic: Fair Value Measurement—continuation of January deliberations

Basis for Discussion: Board Memorandums No. 2B and 2C

Length of Discussion: 6:15 a.m. to 6:45 a.m.(Eastern)

Attendance:

Board members present: FASB: Herz, Seidman, Smith, Siegel, and Linsmeier

IASB: Tweedie, Cooper, Danjou, Engström Finnegan, Garnett, Gelard, Gomes, Kalavacherla, Leisenring, McConnell, Smith, Yamada, Wei-Guo

Board member participating by video: McGregor

Board members absent: None

Staff in charge of topic: Eastman, Anderson

Other staff at Board table: Golden

IASB: Clark, Teixeira, Venter

Staff participating by video: None

Summary of Decisions Reached

The Boards discussed the following topics:

1. Market participant view
2. Reference market

Market participant view

The Boards tentatively decided:

1. To confirm that a fair value measurement is market based and reflects the assumptions that market participants would use in pricing the asset or liability
2. That market participants should be assumed to have a reasonable understanding about the asset or liability and the transaction based on all available information, including information that might be obtained through due diligence efforts that are usual and customary
3. That “independence” in the description of market participants means that market participants are *independent of each other*; that is, they are not related parties
4. That a price in a related party transaction may be used as an input to a fair value measurement if the transaction was entered into at market terms
5. That the unobservable inputs derived from an entity’s own data, adjusted for any reasonably available information that market participants would take into account, are considered market participant assumptions and meet the objective of a fair value measurement.

Reference market

The Boards tentatively decided:

1. That the reference market for a fair value measurement is the principal (or most advantageous) market provided that the entity has access to that market.
2. To clarify that:
 - a. The principal market is the market with the greatest volume and level of activity for the asset or liability.
 - b. There is a presumption that the principal market is the market in which the entity normally transacts. Entities do not need to perform an exhaustive search for markets that might have more activity than the market in which they normally transact.
 - c. The determination of the most advantageous market considers both transaction costs and transportation costs.