

PROPOSED FASB STAFF POSITION

No. FIN 46-b

Title: Effective Date of FASB Interpretation No. 46, *Consolidation of Variable Interest Entities*, for Certain Decision Makers

Comment Deadline: October 3, 2003

The Board directed the FASB staff to issue this FASB Staff Position (FSP)¹ deferring the effective date for applying the provisions of Interpretation 46 for a decision maker that receives fees paid by a variable interest entity if the fee has no variability and decision maker has no exposure to the expected losses of the entity and no right to expected residual returns of the entity. In those circumstances, the decision maker should not apply the provisions of Interpretation 46 to that variable interest entity until the Board has completed its consideration of a modification to the application of Interpretation 46, paragraph 8(c), that may affect those parties.

The guidance in this FSP is effective for financial statements issued after the final FSP is posted to the FASB website. If applying this FSP results in changes to previously reported information, the cumulative effect of the accounting change shall be reported as of the beginning of the first period ending after the final FSP is posted to the FASB website. The requirements of this FSP may be applied by restating previously issued financial statements for one or more years with a cumulative-effect adjustment as of the beginning of the first year restated.

¹ The Board directed the FASB staff to issue this guidance in the form of an FSP rather than an FASB Technical Bulletin. Although the delay of an effective date is identified as one of the uses of a Technical Bulletin, procedures for issuing an FSP provide for ease of distribution, for retrievability, and for expansion of the exposure period from the 15 days provided for by Technical Bulletins to 30 days.