

MINUTES



To: Board Members
From: Monsen, ext. 353
Subject: Minutes of November 10, 2010,
Board Meeting: Investment Properties **Date:** November 11, 2010
cc: Bielstein, Stoklosa, Chookaszian, Proestakes, Leisenring, Lott, Posta,
Guasp, Sutay, Klimek, McGarity, Kiernan, Gabriele, Yang, Mohrhauser,
Couch, FASB Intranet

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: Investment Properties

Basis for Discussion: FASB Memo No. 5

Length of Discussion: 1:40 p.m. to 2:10 p.m. EST

Attendance:

Board members present: Seidman, Linsmeier, Siegel, and Golden;
Smith by video from IASB offices in London

Board members absent: None

Staff in charge of topic: Yang, Mohrhauser, and Monsen

Other staff at Board table: Stoklosa, Farber, and Glotzer

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of the scope of a forthcoming Exposure Draft addressing the accounting for investment properties.

The Board's technical plan calls for that Exposure Draft to be issued in the first quarter of 2011.

Summary of Decisions Reached:

The Board discussed (1) a summary of outreach activities relating to the effect of requiring fair value measurement for investment property as defined by IAS 40, *Investment Property*, and (2) scope-related issues resulting from that outreach. The Board instructed the staff to develop a scope proposal that would include entities whose primary activities are investing in real estate and who have some characteristics similar to investment companies, for example, the entity has unrelated investors, and the entity intends to provide investors with returns from both rental income and capital appreciation.

The Board agreed that lessors of properties that are outside the scope of the investment properties guidance would be affected by the FASB Exposure Draft, *Leases (Topic 840)*, and should therefore focus their attention and comments to the Board on that proposed guidance.

General Announcements: None.