

MINUTES



Financial Accounting  
Standards Board

**To:** Board Members

**From:** Andrews (x354)

**Subject:** Minutes of the November 17, 2010  
Board Meeting: Balance Sheet - Offsetting **Date:** November 24, 2010

**cc:** FASB: Bielstein, Stoklosa, Chookaszian, Lott, Posta, Guasp, Sutay,  
Klimek, Gabriele, Maroney, Andrews, FASB Intranet;  
IASB: Francis, Teixeira, Lloyd, Kusi-Yeboah, Davidson

*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: Model for Offsetting Financial Assets and  
Liabilities on the Statement of Financial  
Position

Basis for Discussion: FASB memorandum No. 8A, Unconditional  
right and intention to offset

FASB memorandum No. 8B, Simultaneous  
settlement of a financial asset and liability

FASB memorandum No. 8C, Offsetting with  
the conditional right of offset

FASB memorandum No. 8D, Balance sheet  
analysis

Length of Discussion: 10:10 to 11:45 a.m. EST

Attendance:

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

IASB: Tweedie, Cooper, Danjou, Engstrom, Finnegan, Gomes, Kalavacherla, Konig, McConnell, McGregor, Pacter, Scott, Smith, Yamada, Wei-Guo

Board members absent: None

Staff in charge of topic: FASB: Maroney  
IASB: Kusi-Yeboah

Other staff at Board table: IASB: Teixeira  
FASB: Stoklosa, Andrews

IASB staff via video: Lloyd, Davidson

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Boards met to discuss issues relating to the development of a proposed Accounting Standards Update addressing offsetting financial assets and financial liabilities on the face of the statement of financial position.

**Summary of Decisions Reached:**

The Boards decided to require an entity to offset a recognized financial asset and financial liability only if the entity has the unconditional right of offset and intends to settle net or intends to settle simultaneously. Simultaneous settlement refers to transactions that settle at the same moment. The Boards also decided that an entity cannot offset a recognized financial asset and financial liability if the entity has a conditional right of offset.

**General Announcements:** None