

MINUTES



Financial Accounting  
Standards Board

**To:** Board Members  
**From:** Andrews (x354)  
**Subject:** Minutes of the December 14, 2010 Board Meeting **Date:** December 20, 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: Balance Sheet- Offsetting

Basis for Discussion: FASB memorandum No. 9A, Multilateral netting arrangements  
FASB memorandum No. 9B, Disclosure requirements  
FASB memorandum No. 9C, Transitional requirements  
FASB memorandum No. 9D, Legal enforceability of unconditional right of offset (for informational purposes only)  
FASB memorandum No. 9E, Disclosure requirements (a revision of Memo 9B)

Length of Discussion: 11:00 a.m. to 12:15 p.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

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.

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

**Summary of Decisions Reached:**

The Boards discussed the following issues:

1. Whether offsetting should be permitted for multilateral arrangements
2. Transition requirements and the comment period for the next due process document.

The Boards tentatively decided the following:

1. An entity should be required to offset a recognized financial asset and financial liability if the criteria for offset are met, whether the right of offset arises from a bilateral or a multilateral arrangement (that is, between two or more parties).
2. An entity would be required to apply the proposed requirements retrospectively.
3. The proposed Accounting Standards Update will have a 90-day comment period.

**General Announcements:** None