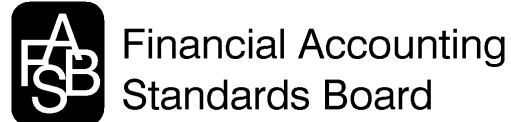


MINUTES



To: FASB Board Members
From: Leases Team
Subject: Minutes of January 19, 2011, Joint Board Meeting **Date:** February 4, 2011
cc: FASB: Bielstein, Lott, Proestakes, Stoklosa, Mechanick, Zeyher, Helmus, Gonzales, Paul, Spreitzer, C. Smith, Brickman, Glotzer, Gabriele, Sutay, FASB Intranet, McGarity, Klimek; FASAC: Chookaszian, Posta, Guasp; GASB: Finden, Avis; IASB: Rees, Humphreys, Lian, Vatrenejak, Kim, 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: Leases

Basis for Discussion: FASB Memo 123—Comment letter summary
FASB Memo 124—Redeliberations plan
FASB Memo 125—Analysis of how a lease should be defined and how it should be distinguished from a service

Length of Discussion: 8:10AM to 11:50AM EST

Attendance:
Board members present: IASB: Tweedie, Cooper, Danjou, Engström, Finnegan, Gomes, Kalavacherla, König, McConnell, McGregor, Pacter, J. Smith, Yamada, Zhang

FASB: Golden, Linsmeier, Seidman, Seigel,
Smith

Board members absent: None

Staff in charge of topic: FASB: Zeyher

IASB: Humphreys

Other staff at Board table: IASB: Davidson, Rees, Kim, Lian

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of a proposed Accounting Standards Update addressing leases.

The Board's technical plan calls for that document to be issued at the end of the second quarter of 2011.

Summary of Decisions Reached:

Comment Letter Summary

The Boards considered a summary of:

1. The feedback received in response to the Exposure Draft, *Leases*, which was published for public comment in August 2010
2. Outreach activities undertaken after the publication of the Exposure Draft to explain the proposals in the Exposure Draft and to obtain feedback on the proposals.

The Boards also discussed the plan for redeliberating the issues raised by respondents to the Exposure Draft.

The Boards plan to begin redeliberations by considering two of the fundamental issues raised by respondents, which are the definition of a lease and the next steps to be taken relating to lessor accounting.

Definition of a Lease

The Boards discussed the definition of a lease and how to distinguish between a lease contract and a service contract. The Boards also discussed whether, under a right-of-use model, all lease contracts should have the same subsequent measurement approach.

This session was for education only, and thus the Boards did not make any technical decisions.