

MINUTES



Financial Accounting  
Standards Board

**To:** Board Members

**From:** Monsen x353

**Subject:** Minutes of April 27, 2011, Board  
Meeting on Investment Properties

**Date:** May 4, 2011

**cc:** Sutay

*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:** Noninvestment property assets held by investment property entities, including right-of-use assets

**Basis for Discussion:** FASB Memo 9

**Length of Discussion:** 11:10 a.m. to 11:21 a.m.

**Attendance:**

Board members present: Seidman, Buck, Linsmeier, Golden, Siegel, Smith, Schroeder

Board members absent: None

Staff in charge of topic: Yang

Other staff at Board table: Cospers, Stoklosa, Bossio, Glotzer, Axt, Monsen

Outside participants: None

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

The Board met to discuss issues relating to the development of an Exposure Draft addressing the accounting by investment property entities.

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

**Summary of Decisions Reached:**

The Board decided that an investment property entity, in accounting for a lease for which it is the lessee, would measure right-of-use assets relating to investment properties at fair value with changes in fair value recognized in net income. Right-of-use assets relating to noninvestment property assets would be carried at amortized cost, consistent with the *Leases Exposure Draft*.

The Board also decided that noninvestment property assets held by investment property entities would be accounted for under other applicable U.S. GAAP.

**General Announcements:** None.