

MINUTES



**To:** FASB Board Members  
**From:** Accounting for Financial Instruments Team  
**Subject:** Joint Board Meeting Minutes: Accounting for Financial Instruments: Impairment  
**Date:** May 18, 2011

*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: Accounting for Financial Instruments: Impairment

Basis for Discussion: FASB Memo 91  
IASB Agenda Paper 6C

Length of Discussion: 11:00 a.m. to 11:30 a.m. (EDT)

Attendance:

Board members present: FASB: Seidman, Golden, Linsmeier, Siegel, Buck, Schroeder, and Smith (London)

IASB: Tweedie, Cooper, Danjou, Engström, Finnegan, König, Pacter, Smith, Gomes, McConnell, Kalavacherla, Scott, Wei-Guo, McGregor, and Yamada (London)

Board members absent: None

Staff in charge of topic: Glen

Other staff at Board table: Roberge, Sangiuolo, Keller, and Lark

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 final Accounting Standards Update addressing the accounting for financial instruments. The Board's technical plan calls for that document to be issued in 2011.

**Summary of Decisions Reached:**

The FASB and the IASB discussed the way forward on the impairment project considering the feedback received on the supplementary document. The Boards considered four alternatives:

1. Finalize the approach developed by the IASB based on deliberations before convergence discussions (that is, a time-proportional approach for a "good book" and full lifetime expected losses for a "bad book").
2. Finalize the approach developed by the FASB based on deliberations before convergence discussions (that is, recognize losses expected to occur in the "foreseeable future" period).
3. Finalize the model in the supplementary document taking into consideration feedback received.
4. Develop a variation of the previous proposals, taking into account the feedback from the Boards' original Exposure Drafts and the supplementary document.

The Boards tentatively decided to pursue the fourth alternative. A small working group of Board members and senior staff from both the FASB and the IASB has been created to develop some specific suggestions to move forward, such as baseline models or objectives. This group will develop suggestions to be presented to the Boards expeditiously.

The Boards voted unanimously to pursue this approach.