

MINUTES



Financial Accounting
Standards Board

To: FASB Board Members

From: Consolidations Team (Axt, x447)

Subject: Minutes of the June 8, 2011 Board Meeting: Consolidations

Date: June 15, 2011

cc: FASB: Cospers, Bielstein, Lott, Proestakes, Stoklosa, Mechanick, Farber, Handy, Laungani, Axt, Raichilson, C. Smith, Brickman, Hood, Glotzer, Gabriele, Sutay, FASB Intranet, McGarity, Klimek FASAC: Chookaszian, Posta, Guasp; GASB: Finden, Avis; IASB: Stewardt, Wright, Lloyd, Buschhueter, Ruane

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: Investment Companies

Basis for Discussion: FASB Memo No. 37—Investments in investment companies and investment property entities

Length of Discussion: 11:30 AM to 12:30 PM (EDT)

Attendance:

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

Board members absent: None

Staff in charge of topic: Farber

Other staff at Board table: Cospers, Laungani, Axt

Staff participating via
videoconference: IASB: Wright, Stewardt

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues related to the consolidation by investment companies of investments in other investment companies and investment property entities.

The Board's technical plan shall be amended to call for a proposed Accounting Standards Update to be issued in the third quarter of 2011.

Summary of Decisions Reached:

The Board decided that an investment company would account for its investment in another investment company at fair value through net income; it would not be permitted to consolidate or use the equity method of accounting for those investments. Additionally, an investment company that is the parent of another investment company (the subsidiary) would be required to provide additional disclosures for investments that are controlled by the subsidiary. The Board decided to retain the current accounting requirements for a master-feeder structure.

The Board decided that an investment company would account for a controlling financial interest in investment property entity in accordance with Topic 810, Consolidation. An investment company would provide the property-specific disclosures required by an investment property entity.

General Announcements:

The Board directed the staff to draft a proposed Accounting Standards Update for vote by written ballot.