

MINUTES



Financial Accounting
Standards Board

To: Board Members

From: Discontinued Operations Team
(Hood, ext. 386)

Subject: Minutes of December 12, 2012
Board Meeting: Reporting
Discontinued Operations

Date: December 12, 2012

CC:

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: Reporting Discontinued Operations

Basis for Discussion: FASB Memos 15R and 16

Length of Discussion: 2:00 to 2:30 p.m.

Attendance:

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

Board members absent: None

Staff in charge of topic: Hood

Other staff at Board table: Cospers, Proestakes, Bergman

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 reporting of discontinued operations.

The Board tentatively decided to release that Exposure Draft in January 2013.

Summary of Decisions Reached:

The Board unanimously affirmed its prior decision to propose the following disclosures about discontinued operations for public and nonpublic entities:

1. The profit or loss for current and prior periods presented in the statement of comprehensive income, together with major income and expense items constituting that profit or loss
2. The major classes of cash flows for current and prior periods presented in the cash flow statement (operating, investing, and financing)
3. A reconciliation of the major classes of assets and liabilities classified as held for sale in the notes to the financial statements to total assets and total liabilities classified as held for sale that are presented separately on the face of the statement of financial position in the current period
4. A reconciliation of the major income and expense items from the discontinued operation presented in the notes to the financial statements to the after-tax profit or loss from discontinued operations presented on the face of the statement of comprehensive income for current and prior periods
5. If the component includes a noncontrolling interest, the profit or loss attributable to the parent for current and prior periods presented in the statement of comprehensive income.

The Board unanimously affirmed its prior decision to propose the following disclosures about disposals of individually material components of an entity for public entities:

1. The pretax profit or loss attributable to a disposed component of an entity for current and prior periods presented in the statement of comprehensive income
2. If the component of an entity includes a noncontrolling interest, the profit or loss attributable to the parent for current and prior periods presented in the statement of comprehensive income
3. A reconciliation in the notes to the financial statements of the major classes of assets and liabilities of the component of an entity classified as held for sale to total assets and total liabilities of the component of an entity classified as held for sale that are presented separately on the face of the statement of financial position in the current period.

The Board also decided to propose that nonpublic entities provide the following disclosures about disposals of individually material components of an entity:

1. The pretax profit or loss attributable to a disposed component of an entity for the current period
2. If the component of an entity includes a noncontrolling interest, the profit or loss attributable to the parent for the current period.

For a discontinued operation in which an entity retains a noncontrolling interest, the Board decided to propose that an entity disclose information that enables users to compare the financial performance of the entity from period to period assuming that the entity held the same noncontrolling interest in all periods presented in the statement of comprehensive income. The analysis would include the following disclosures until the discontinued operation is no longer reported in the statement of comprehensive income:

1. If there is more than one disposal reported in discontinued operations for the period, the results of operations of the discontinued operation in which the entity retains a noncontrolling interest
2. The entity's ownership interest in the discontinued operation before the disposal transaction
3. The entity's ownership interest in the discontinued operation after the disposal transaction
4. The income or loss in the period(s) after the disposal transaction from the entity's ongoing noncontrolling ownership interest in the discontinued operation and the line item in the income statement that includes the income or loss.

The Board directed the staff to draft an Exposure Draft for vote by written ballot. The Exposure Draft will have a 150-day comment period and will be issued as soon as possible.

General Announcements: The Board directed the staff to draft an Exposure Draft for a vote by written ballot.