

MINUTES



MEMORANDUM

To: FASB Board Members

From: Accounting for Financial Instruments Team

Subject: March 12, 2014, Board Meeting—
Accounting for Financial Instruments: Classification and Measurement

Date: March 13, 2014

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: Accounting for Financial Instruments: Classification and Measurement

Basis for Discussion: Memorandum 262

Length of Discussion: 8:30 a.m. to 9:20 a.m. EDT

Attendance:

Board members present: Golden, Smith, Kroeker, Linsmeier, Schroeder, Siegel, and Buck (by phone)

Board members absent: None

Staff in charge of topic: Gupta

Other staff at Board table: Cospers, Esposito, Milone, Laungani, McKinney, Hager, and Debbink

Outside participants:

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Accounting Standards Update addressing accounting for financial instruments. The Board issued an Exposure Document in the first quarter of 2013.

Tentative Board Decisions:

The Board continued redeliberating the proposed Accounting Standards Update, *Financial Instruments—Overall, (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, deciding to retain the separate models in existing U.S. GAAP for determining classification of loans and securities. (Vote: 5 (Alternative B), 1 (Alternative A), and 1 (Alternative C))

The Board directed the staff to analyze the current U.S. GAAP definition of a security to determine whether changes are needed to more clearly distinguish the instruments to be evaluated using the securities classification model.

The Board also discussed the impairment guidance for financial assets subsequently identified for sale that at initial recognition qualified for the amortized cost classification categories included in the proposed Update. See the minutes for the March 12, 2014 Board meeting discussion on the Accounting for Financial Instruments: Impairment project.

General Announcements: None.