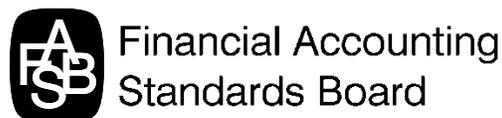


MINUTES



To: FASB Board Members
From: Accounting for Financial Instruments Team
Subject: February 10, 2010 Joint Board Meeting: Accounting for Financial Instruments **Date:** March 1, 2010
cc: FASB: Golden, Bielstein, Stoklosa, Laungani, Lott, Proestakes, Wilkins, Maroney, Sangiuolo, Inzano, Ampofo, H. Yang, K. Yang, Kubic, Putnam, Willis, C. Smith, Brickman, Homant, Chookaszian, Posta, Glotzer, Mechanick, Gabriele, Sutay, FASB Intranet, Klimek, McGarity
GASB: Finden
IASB: Leisenring, Francis, Friedhoff, Berger, Wong, Teixeira, Clark

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: Liabilities

Basis for Discussion: FASB Memorandum No. 34A

Length of Discussion: 8:20 to 9:00 a.m. (Eastern)

Attendance:

Board members present: FASB: Herz, Linsmeier, Siegel, Seidman, and Smith (via telephone)

IASB: Tweedie, Cooper, Danjou, Engström, Finnegan, Garnett, Gelerd, Gomes, McConnell, McGregor, Smtih, Wei-Guo (London), Yamada, Kalavacherla (via videoconference), and Leisenring (Norwalk)

Staff in charge of topic: FASB: Inzano

IASB: Figgie

Other staff at Board table: IASB: Berger, Lloyd, and Francis

Other staff participating via
videoconference: FASB: Golden, Maroney, and Smith

Other staff participating via
telephone: FASB: Stoklosa

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of an Exposure Draft of a proposed Accounting Standards Update addressing the accounting for financial instruments.

The Board's technical plan calls for that document to be issued in March 2010.

Summary of Decisions Reached:

1. The Boards began their discussion of how to measure financial liabilities.
2. The Boards affirmed their previous tentative decisions that financial liabilities that are not held-to-pay contractual cash flows should be measured at fair value through profit or loss. All Board members agreed.
3. The IASB tentatively decided that financial liabilities that are held-to-pay contractual cash flows and have "non-vanilla" contractual cash flow characteristics should be bifurcated into a host and the embedded features. Those components would be separately measured. That tentative decision responds to issues raised about recognizing gains or losses arising from changes in an entity's own credit risk.
4. The FASB did not make any decisions about financial liabilities that are held-to-pay contractual cash flows that contain embedded derivatives and would be required to be measured at fair value with changes in fair value recognized in net income under the FASB's current tentative model. The FASB will first consider whether and how to address changes in an entity's own credit risk for financial liabilities with "plain vanilla" contractual cash flow characteristics that would be required to be measured at fair value with changes in fair value recognized in other comprehensive income under the FASB's current tentative model.

General Announcements: None