

MINUTES



MEMORANDUM

**To:** Board Members  
**From:** Coyne, x353  
**Subject:** Minutes of the February 7, 2018  
Disclosure Framework – Fair Value Measurement Board Meeting  
**Date:** February 12, 2018  
**cc:** Tosches

*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: Disclosure Framework: Fair Value Measurement

Basis for Discussion: FASB Memo Nos. 122, 122A, 96R

Length of Discussion: 9:30 a.m to 11:45 a.m. (EDT)

Attendance:

Board members present: Golden, Kroeker, Schroeder, Siegel, Monk, Hunt, and Botosan

Board members absent: None

Staff in charge of topic: Friend

Other staff at Board table: Cospers, Proestakes, Cappiello, C. Smith, Roberts, and Coyne

Outside participants: None

**Type of Document and Timing Based on the Technical Plan:**

The Board redeliberated the amendments in the proposed Accounting Standards Update, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*.

**Tentative Board Decisions:**

The Board made the following decisions:

*Level 3 Rollforward*

The Board confirmed its decision to retain the Level 3 rollforward and not require a rollforward of Level 1 and Level 2 of the fair value hierarchy.

**(Vote: 5-2)**

*Change in Unrealized Gains and Losses*

The Board confirmed the proposed amendment to require an entity to disclose the changes in unrealized gains and losses included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period.

**(Vote: 7-0)**

The Board did not confirm the proposed amendment to require an entity to disclose the changes in unrealized gains and losses included in other comprehensive income and earnings (or changes in net assets) for recurring Level 1 and Level 2 fair value measurements held at the end of the reporting period, disaggregated by level of the fair value hierarchy.

**(Vote: 5-2)**

*Measurement Uncertainty*

The Board confirmed the proposed amendment to clarify that the narrative description should communicate information about the uncertainty in fair value measurements at the reporting date.

**(Vote: 7-0)**

The Board confirmed the proposed amendment to require an entity to disclose the range and weighted average used to develop significant unobservable inputs for fair value measurements categorized within Level 3 of the fair value hierarchy. The Board decided that if, for certain assets and liabilities (for example, derivative instruments), an entity determined that other quantitative information (such as, the median and arithmetic average) would be a more reasonable and rationale method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements, the entity may disclose such quantitative information in lieu of the

range and weighted average. The Board decided that if an entity decides to disclose other quantitative information, the entity would not have to disclose its reason for omitting the range and weighted average.

**(Vote: 5-2)**

The Board decided to require that an entity disclose how it calculated the weighted average.

**(Vote: 7-0)**

The Board did not confirm the proposed amendment to require an entity to disclose the time period used to develop significant unobservable inputs for fair value measurements categorized within Level 3 of the fair value hierarchy.

**(Vote: 6-1)**

#### *Other Disclosures*

The Board confirmed the proposed amendments to remove the following disclosures:

1. The amounts of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy  
**(Vote: 5-2)**
2. The policy for timing of transfers between levels of the fair value hierarchy  
**(Vote: 7-0)**
3. The valuation policies and procedures for Level 3 fair value measurements.  
**(Vote: 7-0)**

For investments in certain entities that calculate net asset value, the Board confirmed the proposed amendment to require disclosure of the timing of liquidation of an investee's assets and the date when restrictions from redemption will lapse only if the investee has communicated the timing to the entity or announced the timing publicly.

**(Vote: 7-0)**

**General Announcements:** The Board will complete redeliberations at a future meeting.