

Tentative Board decisions are provided for those interested in following the Board's deliberations. All of the reported decisions are tentative and may be changed at future Board meetings.

Wednesday, December 2, 2020 FASB Board Meeting

Post-implementation Review.

Accounting Standards Update No. 2016-02, Leases (Topic 842). The Board discussed feedback received to date during the post-implementation review (PIR) of Update 2016-02. The staff provided the Board with a report of the staff's activities as part of the PIR process and summarized feedback received to date based on its outreach meetings with financial statement users, agenda requests, and the September 2020 public Leases Roundtable. While no technical decisions were made, the staff discussed feedback related to the importance of leasing information to financial statement users, the lessee's application of the incremental borrowing rate and nonpublic lessee's application of the risk-free rate, embedded leases, lease modifications, allocation of lease payments, and other ancillary issues. The staff will perform additional research and outreach on the practical expedient that allows nonpublic lessees to use the risk-free rate as the lease discount rate. Specifically, the staff's research will consider the appropriateness of the risk-free rate and whether the practical expedient should be applied at the underlying class of asset level rather than at an entity-wide level. That research will be considered at a future date as part of agenda request activities. The staff also will consider providing additional educational materials to clarify some aspects of Topic 842 for certain groups of stakeholders.

The staff will continue to perform general outreach with stakeholders and continue to accumulate their feedback for presentation to the Board at future meetings.

Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The Board discussed feedback received to date during the post-implementation review (PIR) of Update 2016-13. The staff provided the Board with a report of the staff’s activities as part of the PIR process and summarized feedback received to date based on its direct outreach with stakeholders and monitoring of publicly available information. While no technical decisions were made, the staff discussed feedback related to areas such as purchased financial assets that do not qualify for purchased financial assets with credit deteriorated (PCD) accounting treatment, the accounting and disclosure of troubled debt restructurings (TDRs), scope of financial assets included in Update 2016-13 (including trade receivables), and disclosures. The staff will perform additional research and outreach on the accounting for non-PCD financial assets and TDRs to be considered at a future date as part of agenda request activities. In addition, the staff will continue to monitor feedback related to the scope of financial assets included in and disclosures under Update 2016-13. The staff also will continue to perform general outreach with stakeholders and continue to accumulate their feedback for presentation to the Board at future meetings. This will include continuing dialogue seeking feedback from prudential regulators.