

MINUTES



MEMORANDUM

To: Board Members

From: Distinguishing Liabilities from Equity Team (Cole x264)

Subject: Minutes of January 30, 2019
Board Meeting on Distinguishing Liabilities and Equity (Including Convertible Debt)

Date: February 5, 2019

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: Distinguishing Liabilities from Equity (Including Convertible Debt)

Basis for Discussion:

- FASB Memo 12 — *Cover Memo*
- FASB Memo 13 — *Derivatives Scope Exception—Indexation*
- FASB Memo 13S — *Derivatives Scope Exception—Supplemental*
- FASB Memo 14 — *Derivatives Scope Exception—Settlement*
- FASB Memo 15 — *Derivatives Scope Exception—Reassessment*
- FASB Memo 15S — *Derivatives Scope Exception—Reassessment Considerations Supplemental*
- FASB Memo 16 — *Traditional Convertible Instruments—Recognition and Measurement Overview*
- FASB Memo 17 — *Convertible Instruments—Disclosure Analysis*
- FASB Memo 17S — *Convertible Instruments—Disclosure Analysis Supplemental*
- FASB Memo 18 — *Derivatives Scope Exception—Disclosure Enhancements*
- FASB Memo 18S — *Derivatives Scope Exception—Disclosure Enhancements Supplemental*
- FASB Memo 19 — *Earnings Per Share*

Length of Discussion: 9:10 a.m. to 11:30 a.m. and 1:00 p.m. to 2:00 p.m. EST

Attendance:

Board members present: Golden, Kroeker, Botosan, Hunt, Schroeder, and Buesser

Staff in charge of topic: Mazzella

Other staff at Board table: Cospers, Kuhaneck, Friend, Cheng, Olcott, and Cole

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the accounting for instruments with characteristics of liabilities and equity (including convertible debt).

Tentative Board Decisions:

The Board discussed (a) disclosures for convertible instruments, (b) determining whether instruments are indexed to, and settled in, an entity's own stock within the context of the derivative scope exception and related disclosure, and (c) earnings per share. The meeting was educational; no decisions were made.

Next Steps

The Board will hold a decision-making meeting on Wednesday, February 13, 2019.

General Announcements: None