Private Company Financial Reporting Committee
Report on Recent Activities
April 29, 2010

The PCFRC has not met since our joint meeting with FASB Board last December. However, we have issued the following recommendation letters:

January 27, 2010
Accounting for Financial Instruments Project
FASB's Summary of Decisions Reached to Date states that the scope of the financial instruments project is based on the present definition of a financial instrument in the Master Glossary of the FASB Accounting Standards Codification™. As such, it appears that the scope of the project will encompass trade accounts receivable and trade accounts payable. The PCFRC believes that trade accounts receivable and trade accounts payable should be excluded from the scope of the project. This exclusion should only encompass trade accounts receivables and trade accounts payables that are within certain reasonable maturity limits, which can be determined by the FASB after proper consideration. The time involved in determining fair value of these instruments would not provide any benefit as the resulting values would not be relevant or useful to private company financial statement users. The PCFRC believes that financial statement user needs should be a primary factor in determining the measurement basis for assets and liabilities, including financial instruments. The current measurement attributes for trade accounts receivable and trade accounts payable are reliable and relevant and understandable to users of private company financial statement users given that their primary interest is future cash flows.

March 2, 2010
Re: Applicability of the Financial Statement Presentation Project to Nonpublic Entities
PCFRC suggested that FASB may wish to consider including the following questions in the Exposure Draft on the project:

1. Should the proposed presentation model apply to nonpublic entities?

2. What issues should the FASB consider about the application of the proposed presentation model to nonpublic entities?

3. If the proposed presentation model is to be applicable to nonpublic entities, should the effective date of the proposed presentation model be deferred for nonpublic entities?

4. If you are a user of financial statements for a nonpublic entity, please explain which aspects of the proposed presentation model would and would not be beneficial to you in making decisions in your capacity as a capital provider and why.

5. If you are a preparer of nonpublic entity financial statements or are a user of those statements, how significant will be the costs of complying with the proposed presentation model in that nonpublic entity context? Explain the nature of the costs.

6. Should nonpublic entities be exempted from the proposal to include an analysis of the changes in the balance of all significant asset and liability items?

7. Would the utilization of the proposed presentation model be improved for nonpublic entities if it incorporated widely-used metrics like EBITDA?

8. Should a lower level of disaggregation be required for nonpublic entities?

The PCFRC also recommended that the FASB consider the implications the proposed presentation model will have in relation to the tax forms that businesses prepare and submit to the Internal Revenue Service ("IRS") and state taxing authorities. Business entities, except sole proprietorships, have to prepare tax forms with a balance sheet. If the IRS and state authorities do not modify the forms, financial statements prepared in accordance with the proposed presentation model would have to be converted back to the current model to enable completion of the tax forms. The FASB may want to consider obtaining the input of the IRS on this matter.

April 29-30 Meeting- Norwalk

The PCFRC will be meeting with project managers on the various projects where exposure drafts will be issued in the near future in order to get a head start on what will be a very busy comment period. Out next meeting is June 24-25 and then we do not meet again until September 30-October 1.

EFFECTIVE DATES OF MAJOR PROJECTS

Private Company Financial Reporting Committee
April 29, 2010

The purpose of this session is to discuss the effective dates, transition, priority and sequence, and due process of the forthcoming exposure drafts of major projects.

Overview

At their October 2009 joint meeting, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) reaffirmed their commitment to convergence, agreed to intensify their efforts to complete the major joint projects described in the 2006 Memorandum of Understanding (MOU), and set mid-2011 as goal for completing them.

The FASB believes the proposed standards will significantly improve financial reporting and will eliminate many differences between U.S. GAAP and International Financial Reporting Standards (IFRS).

The Board recognizes that the work plan anticipates the completion of many projects in the 2010 and 2011 timeframe. The Board will consider staggering effective dates of those standards to ensure the orderly transition to any new requirements. Questions are posed below to solicit PCFRC members' input on these areas.

Effective Dates and Transition

Appendix A includes the current FASB technical plan.

Question 1: In planning a logical timeframe for implementation of the major projects that are scheduled to be completed in the next two years, which factors should nonpublic entity preparers, auditors, and users be considering (and when) to manage the implementation of these standards?

a. System changes
b. Staff levels
c. Staff training
d. Guidance needs
e. Other factors.

Question 2: Can the standards be absorbed and implemented in the proposed time frames? Should all entities, regardless of size, be required to transition at the same time?

Question 3: What factors should the Board take into account when considering transition for the major standards?

Question 4: Given the time needed to transition processes, which standards should be retroactive and which should be prospective?

Priority and Sequence

The 2009 FASAC annual survey asked respondents which three of the following MOU projects are most important in responding to the SEC's call for high quality, comprehensive accounting standards:

a. Financial Instruments
b. Financial Statement Presentation
c. Leases
d. Financial Instruments with Characteristics of Equity
e. Revenue Recognition
f. Consolidations
g. Derecognition.

Overall, the majority of all three respondent groups (FASAC, the FASB Board, and the other respondents) most frequently selected Financial Instruments as one of their top three priorities. The other two projects most frequently selected by a majority of FASAC respondents were Revenue Recognition and Financial Statement Presentation, closely followed by Consolidations. There was a three-way tie for the other projects most frequently selected by the majority of FASB Board members and the other respondents; those projects are Revenue Recognition, Financial Statement Presentation, and Financial Instruments with Characteristics of Equity.

For the Financial Instruments project, respondents commented that:

- That area of financial reporting has the most significant differences between U.S. GAAP and IFRS.
- Convergence will not be readily achieved without the finalization of that joint project.
- The financial crisis has demonstrated the need for improvements in the accounting and disclosure for financial instruments.
- The decisions in the financial instruments project are important for the movement toward full fair value accounting.
- Accounting for financial instruments is too complex.
- A comprehensive and consistent framework for financial instruments is an important step in improving the flow of financial information to users of financial statements.

For the Revenue Recognition project, respondents commented that:

- The project has significant convergence benefits in that there are substantive differences between U.S. GAAP and IFRS and inconsistencies in current practice.
- Both users and preparers suffer from complexity within the standards.

- Revenue recognition applies to every company and the authoritative guidance for it is currently scattered and piecemeal.

For the Financial Statement Presentation project, respondents commented that:

- It is critical for the FASB and the IASB to revisit the manner in which financial information is packaged and delivered to users—to enable it to explain the historical financial performance of the entity and how it responded to existing conditions—and to provide information that would be more useful to analysts and other financial users in better estimating how it may perform in the future.
- The main point is that the financial statements and footnotes need to be considered as a package, rather than individually, and therefore the project on financial statement presentation should be about identifying an optimal package of financial statement information that would enable better investment and credit decisions and analytical assessment.
- The project is a top priority because the resolution of the issues within this project will have the greatest impact on helping to resolve the disclosure issues in the current financial crisis.
- If there are going to be any significant changes of how financial information is presented and disclosed, it makes sense to resolve this before adopting a wide range of new standards.
- Financial statement presentation as the presentational framework for financial statements is a crucial driver for many other accounting standards.

For the Consolidations project, respondents commented that:

- With the current differences between U.S. GAAP and IFRS in consolidation requirements for voting-interest entities and variable-interest entities/special purpose entities, converged standards on consolidation of all entities are another critical element for a comprehensive set of global accounting standards.
- Clearer principles based on operations would be helpful.
- The consolidation accounting rules vary adding additional layers of complexity and hurdles in comparability of information within industries and across geographies.
- The sphere of consolidation, including subsidiaries, joint ventures, special purpose entities, securitization conduits, and participations is expansive.
- Consolidations are critical to respond to the economic crisis.

For the Financial Instruments with Characteristics of Equity projects, respondents commented that:

- An understandable principle-based standard is required because the standards are difficult to apply and are complex.
- Financial instruments are more subject to abuse and confusion.
- This project is important to convergence.

The MOU project that the majority of respondents chose least frequently within their top three was Derecognition.

Question 5: Given the aggressive agenda of projects, which major projects should be given the highest priority?

Please rank the projects in order of importance from 1 to 11, with 1 being the most important.	
Accounting for Financial Instruments	
Revenue Recognition	
Statement of Comprehensive Income	
Financial Statement Presentation	
Derecognition	
Insurance Contracts	
Consolidations: Policy and Procedures	
Fair Value Measurement	
Leases	
Financial Instruments with Characteristics of Equity	
Reporting Discontinued Operations	

Question 6: Which projects are interrelated and should be sequenced together?

Question 7: What are the impacts on financial reporting for nonpublic entities if some of the projects are completed later than 2011?

Due Process

Appendix B describe some of the major elements of the Board's due process.

Question 8: Given the aggressive timeframe for completion of projects, what are the factors that the Board should consider for due process?

a. Roundtables
b. Field visits
c. Field testing
d. Outreach
e. Other ways of communication

Question 9: When should the above be scheduled?

a. Before the exposure drafts are issued?
b. Directly after the exposure drafts are issued?
c. Any time during the comment period?

Question 10: What should the length of the exposure periods be?

a. Should all projects have the same exposure period?
b. What factors should be taken into account when considering the length of the exposure periods?
c. What other non-FASB due process documents are anticipated during this time frame that the Board should be aware of?

APPENDIX A

Current FASB Technical Plan
April 2010

The FASB provides the following schedule to help its constituents monitor the progress of and plan for their involvement in the Board's standard setting activities. The schedule provides a current estimate of the publication dates of due process documents expected to be issued through 2011; that is, Discussion Papers (DPs), Exposure Drafts (Es), and Final Accounting Standards Updates or Final Conceptual Framework chapters (Fs). It also indicates the comment periods that will close in the next 6 quarters (C) and any roundtable discussions planned during that time period (R). The FASB undertakes its work following established due process procedures which include extensive consultation with interested parties before reaching conclusions. Therefore, all of the information of this schedule is subject to change depending on input received throughout a project's development.

The Board recognizes that the work plan anticipates the completion of many projects in the 2010 and 2011 timeframe. The Board will consider staggering effective dates of those standards to ensure the orderly transition to any new requirements.

Also provided on the schedule are links to staff prepared summaries of Board decisions that are provided for information purposes only. The decisions are tentative and do not change current accounting. Official positions of the FASB are determined only after extensive due process and deliberations.

	2010			**2011**	
JOINT FASB/IASB PROJECTS:	**2Q**	**3Q**	**4Q**	**1H**	**2H**
Conceptual Framework Project: *(Updated as of March 15, 2010)* **Objective and Qualitative Characteristics**	**F**				
Reporting Entity		**C**	**F**		
Measurement					
Elements and Recognition					

	2010			2011	
Standards Projects:	**2Q**	**3Q**	**4Q**	**1H**	**2H**
Fair Value Measurement *(Updated April 2, 2010)*	**E**	**R**	**F**		
Consolidation: Policy and Procedures *(Updated February 1, 2010)*	**E**	**R**		**F**	
Accounting for Financial Instruments *(Updated April 15, 2010)*	**E**	**R**		**F**	
Financial Instruments with Characteristics of Equity *(Updated March 18, 2010)*	**E**	**R**		**F**	
Financial Statement Presentation *(Updated March 17, 2010)*	**E**	**R**		**F**	
Insurance Contracts *(Updated April 15, 2010)*	**E**	**R**		**F**	
Leases *(Updated February 19, 2010)*	**E**	**R**		**F**	
Revenue Recognition *(Updated April 5, 2010)*	**E**	**R**		**F**	
Statement of Comprehensive Income *(Updated February 5, 2010)*	**E**			**F**	
Reporting Discontinued Operations *(Updated February 26, 2010)*	**E**				
Balance Sheet—Offsetting *(Updated March 10, 2010)*		**E**		**F**	
Emissions Trading Schemes *(Updated February 17, 2010)*					
Earnings per Share ***(not active)*** *(Updated May 7, 2009)*					
Income Taxes ***(not active)*** *(Updated November 6, 2009)*					
Postretirement Benefit Obligations including Pensions (Phase 2) ***(not active)*** *(Updated January 21, 2009)*					
Research Projects:					
Financial Instruments: Derecognition					

(Updated May 1, 2009)					
	2010			2011	
FASB PROJECTS:	**2Q**	**3Q**	**4Q**	**1H**	**2H**
Disclosures about Credit Quality and the Allowance for Credit Losses *(Updated March 10, 2010)*	**F**				
Disclosure of Certain Loss Contingencies *(Updated October 14, 2009)*	**E**	**F**			
Going Concern *(Updated April 13, 2010)*	**E**	**F**			
Disclosures about an Employer's Participation in a Multiemployer Plan *(Updated April 19, 2010)*	**E**		**F**		
Investment Properties *(Updated April 1, 2010)*		**E**			**F**
Disclosure Framework (*Updated March 12, 2010*)			**DP**		

	2010			2011	
FASB EMERGING ISSUES TASK FORCE PROJECTS:	**2Q**	**3Q**	**4Q**	**1H**	**2H**
Casino Base Jackpot Liabilities (09-F)	**F**				
Effect of a Loan Modification When the Loan Is Part of a Pool That is Accounted for as a Single Asset (09-I)	**F**				
Consideration of an Insurer's Accounting for Majority-Owned Investments When the Ownership Is through a Separate Account (09-B)	**F**				
Milestone Method of Revenue Recognition (08-9)	**F**				
Health Care Entities: Presentation of Insurance Claims and Related Insurance Recoveries (09-K) *(Exposure Document issued 04/16/10)*	**C**	**F**			
Health Care Entities: Measuring Charity Care for Disclosure (09-L) *(Exposure Document issued 04/16/10)*	**C**	**F**			
Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts (09-G)		**F**			
Health Care Entities: Revenue Recognition (09-H)		**E**	**F**		
How the Carrying Amount of a Reporting Unit Should Be Determined When Performing Step 1 of the Goodwill Impairment Test" (10-A)		**E**	**F**		
Accounting for Multiple Foreign Currency Exchange Rates (10-B)		**E**	**F**		

OTHER TECHNICAL ACTIVITIES

XBRL

(Updated October 2, 2009)

Codes:

C – Comment Deadline
DP – Discussion Paper
E – Exposure Draft
F – Final Document
R – **Roundtable Discussion**

Description of Typical Due Process Steps
April 2010

Public Exposure of Standards

The FASB is required to issue for public comment all proposed amendments to the authoritative standards in the Accounting Standards Codification. The Exposure Draft sets forth the proposed amendments to the Accounting Standards Codification, the proposed effective date and method of transition, background information, and an explanation of the basis for the Board's conclusions.

In determining the comment period length, the FASB weighs the nature and complexity of the proposal, the amount of time its constituents need to consider and comment the proposal, and the urgency of the need for change.

At the end of the exposure period, all comment letters and position papers are analyzed by the staff. This is a search for new information and persuasive arguments regarding the issues; it is not intended to be simply a "head count" of how many support or oppose a particular point of view. In addition to studying this analysis, Board members review the comment letters to help them in reaching conclusions.

Resource Groups

For major projects, the Board generally goes beyond the public exposure of standards. Soon after a major project is placed on the Board's technical agenda, a resource group may be formed, including preparers, auditors, and users of financial information who are knowledgeable about the subject matter. Experts from other disciplines also may be included. Care is taken to ensure that various points of view on the issues involved are represented.

The resource group provides information and practical insights from constituents' perspectives on FASB agenda projects. The FASB staff seeks information from resource group members as needed throughout the life of a project, for example, as it initially identifies issues to be addressed and as it issues and develops its analysis of possible alternative approaches. Resource group members may be asked to review drafts of Exposure Drafts and final Updates.

Field Visits and Field Tests

During a project, often before issuance of an Exposure Draft, the Board may choose to conduct field visits or field tests. *Field visits* involve meetings with entities/constituent groups to discuss the effect of a proposed approach on the accounting for a transaction. *Field tests* involve the formal application by entities of a proposed approach. As a result, field tests may involve significant cost, for example, to implement systems changes necessary to apply a proposed approach in the current and prior period, requiring certain "what if" assumptions and access to prior records relating to the transaction(s) being tested.

The objectives of field visits and tests are to:

a. Confirm or improve the Board's understanding of how a proposed approach/standard will change current practice
b. Assess the perceived incremental costs associated with a proposed approach/standard, including both initial implementation and ongoing application costs
c. Learn about any practical implications of a proposed standard (for example, changes that might be required to information systems)
d. Understand the benefits that would result from the implementation of a proposed standard.

Roundtable Meetings

After a discussion paper or an Exposure Draft is issued for public comment, the Board often holds public roundtable meetings with interested constituents. Those meetings provide an opportunity for the Board and staff to ask questions about information and viewpoints offered by constituents who participated in the comment process. Staff of the SEC, Public Company Accounting Oversight Board, and others usually participate as observers.

The Board conducts public roundtable meetings to facilitate discussion and exchange of views with its constituents. A roundtable meeting has a limited number of participants and the format of a roundtable meeting allows participants to interact with one another as well as with the Board and staff. The Board believes there is much to learn in the interchanges between participants.

Project Updates

Financial Statement Presentation—Joint Project of the IASB and FASB

Last Updated: March 17, 2010 (Updated sections are indicated with an asterisk *)

This project update summarizes the project activities and decisions of the IASB and FASB (the boards). It was prepared by the staff and is for the information and convenience of the boards' constituents. All decisions of the boards are tentative, may change at future board meetings, and do not change current accounting and reporting requirements. Decisions of the boards become final only after extensive due process.

Project Objective

The purpose of this joint project is to establish a standard that will guide the organization and presentation of information in the financial statements. The results of this project will directly affect how the management of an entity communicates financial statement information to users of financial statements, such as present and potential equity investors, lenders, and other creditors. The boards' goal is to improve the usefulness of the information provided in an entity's financial statements to help users make decisions in their capacity as capital providers.

In their Phase B discussions, the Boards developed two core principles for financial statement presentation based on the objectives of financial reporting and the input the boards received from users of financial statements and from members of their advisory groups. Those proposed principles state that information should be presented in the financial statements in a manner that:

a. **Portrays a cohesive financial picture of an entity's activities.** A cohesive financial picture means that the relationship between items across financial statements is clear and that an entity's financial statements complement each other as much as possible.

b. **Disaggregates information so that it is useful in predicting an entity's future cash flows.** Financial statement analysis aimed at objectives such as assessing the amount, timing, and uncertainty of future cash flows requires financial information that is disaggregated into reasonably homogeneous groups of items. If items differ economically, users may wish to take that into account differently in predicting future cash flows.

Due Process Documents

Phase B

On October 16, 2008, both boards published for public comment a discussion paper, *Preliminary Views on Financial Statement Presentation.* The **FASB discussion paper** and the **IASB discussion paper** are the same except for differences in style/format. The comment period ended on April 14, 2009.
View Comment Letters

View Comment Letter Summary

A larger version of the illustrative statement of financial position reconciliations (found on pages 105 and 106 of FASB discussion paper and on pages 156–162 of the IASB discussion paper) that will print on two pages of legal size (8.5" × 14") paper is available at **www.fasb.org/draft/appb_p105-106.pdf**

The discussion paper is the result of more than two years of discussion by the boards and consultation with the project's advisory groups, the Joint International Group and the Financial Institutions Advisory Group, and other interested parties on the fundamental issues related to financial statement presentation.

The FASB held a webcast, *Proposed Improvements to Financial Statement Presentation*, on January 27, 2009 to discuss the October 2008 discussion paper. The webcast was moderated by FASB member Marc Siegel; panelists were Peter Bridgman, Senior Vice President and Controller of PepsiCo, Inc; Greg Jonas, Managing Director of Moody's Investors Service; Joe Joseph, Managing Director at Putnam Investments; and Kim Petrone, Senior Project Manager at the FASB. **Access the archived event**

Access the IASB Web presentation introducing the discussion paper

A "**snapshot**" of the boards' preliminary views also was published on October 16, 2008.

Phase A

The boards completed their deliberations on Phase A in December 2005. On March 16, 2006, the IASB published its **Phase A exposure draft, *Proposed Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation***. The FASB decided to consider phases A and B issues together and, therefore, did not publish an exposure draft on phase A. After considering the responses to its exposure draft, the IASB issued a revised version of **IAS 1** in September 2007. The revisions to IAS 1 affected the presentation of changes in equity and the presentation of comprehensive income, bringing IAS 1 largely into line with FASB Statement No. 130, *Reporting Comprehensive Income* (Statement 130).

***Decisions Reached at Last Meetings**

March 10, 2010 FASB Board Meeting

The FASB and the IASB are conducting this joint project in phases. The IASB finalized certain changes to its presentation standard (IAS 1, *Presentation of Financial Statements*) in 2007. Those changes include requiring that:

1. A complete set of financial statements comprise:
    1. A statement of financial position as at the end of the period
    2. A statement of comprehensive income for the period
    3. A statement of changes in equity for the period
    4. A statement of cash flows for the period
    5. Notes, comprising a summary of significant accounting policies and other explanatory information
    6. A statement of financial position as at the beginning of the earliest comparative period when a reporting entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.
2. An entity present with equal prominence all of the financial statements in a complete set of financial statements.
3. An entity present comparative information in respect of the previous period for all amounts reported in the current period's financial statements.

The Board had previously agreed with all those requirements except (f). In their prior discussions, both Boards had agreed that a statement of financial position as at the beginning of the period should *always* be presented as part of a complete set of financial statements. In finalizing the changes to IAS 1 in 2007, the IASB decided that a statement of financial position as at the beginning of the earliest comparative period should only be presented in certain circumstances (as described in (f) above). The Board agreed to make a similar change. With that modification, the Board affirmed the inclusion of the above requirements in its Exposure Draft on financial statement presentation planned for issuance in April 2010. Those requirements would not override the SEC's requirements for presenting comparative information as set forth in Regulation S-X.

The Board also affirmed its prior tentative decision that an entity should not present the effects of extraordinary, unusual, and infrequently occurring events and transactions as a functional category in the statement of comprehensive income as currently required under *FASB Accounting Standards Codification*™ Subtopic 225-20, Income Statement—Extraordinary and Unusual Items (originally issued as APB Opinion No. 30).

The Board decided that only the following paragraphs from IAS 1 should be included in the FASB's forthcoming Exposure Draft (modified as necessary to be consistent with U.S. GAAP and to be consistent with decisions made in this project):

1. Frequency of reporting (paragraphs 36 and 37, except the first sentence in paragraph 36)
2. Comparative information (paragraphs 40–44)
3. Materiality (paragraphs 29–31)
4. Consistency of presentation (paragraphs 45 and 46)

5. Information about share capital (paragraphs 79 and 80)
6. Disclosure of the measurement basis or bases used in preparing the financial statements in the summary of significant accounting policies (paragraphs 117(a) and 118).

As a result of those decisions, the FASB's Exposure Draft will not include the following IAS 1 paragraphs:

1. Fair presentation (paragraphs 15–24)
2. Going concern (paragraphs 25 and 26)
3. Accrual basis of accounting (paragraphs 27 and 28)
4. Structure of the notes to financial statements (paragraphs 112–116)
5. Disclosure of estimation uncertainty (paragraphs 126–133)
6. Capital disclosures (paragraphs 134–136)
7. Other disclosures (paragraphs 136A, 137, and 138).

March 11, 2010 FASB/IASB Joint Videoconference Board Meeting

The Boards discussed several points in their forthcoming Exposure Draft on financial statement presentation for possible clarification.

Both Boards had previously decided that a complete set of financial statements includes statements of financial position, comprehensive income, cash flows, and changes in equity, as well as the accompanying notes. An entity is required to present a complete set of financial statements for the current period and for one comparative period. In addition, when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements, it is required to present a statement of financial position as at the beginning of the *earliest comparative period* (an opening statement of financial position).

The Boards decided that the Exposure Draft should clarify these requirements as follows:

1. Only one comparative period is required for a complete set of financial statements. Presenting one or more financial statements for additional comparative periods is acceptable, provided it is not misleading. That is, any additional financial statement presented must be prepared in accordance with current IFRSs/U.S. GAAP and must be presented with the same prominence as the required financial statements.
2. An opening statement of financial position for that one comparative period is the only additional statement that an entity is required to present to be in compliance with IFRSs/U.S. GAAP when there is a change in accounting policy, restatement, or reclassification.

On a separate issue, the Boards decided that the Exposure Draft should clarify that if an item of other comprehensive income relates to, or will relate to, a discontinued operation, it should be identified and presented as such on the statement of comprehensive income.

*Summary of Decisions Reached to Date (as of March 11, 2010)

Phase B:

See a **summary** of tentative decisions during deliberation of the discussion paper.

Phase A: Summary of Decisions as of September 30, 2007

*Next Steps

At the February joint meeting, the boards directed the staff to draft an Exposure Draft for vote by written ballot based on the package of tentative decisions outlined in that meeting. The plan is to publish that exposure draft in May 2010.

*Board/Other Public Meeting Information

Meeting Materials and Minutes

Field Tests and Research Study

During the 6-month comment period on the discussion paper, 30 entities participated in a field test. As part of the field test, participant companies recast two years of financial statements using the principles and application guidance in the discussion paper and completed a survey about that recasting exercise. A **summary of the survey responses** is provided as part of the July 2009 joint meeting papers.

At board meetings in September 2009, the boards discussed the analyst portion of the field test at Board meetings and the results of an experimental study on the proposed presentation model that was conducted by the Financial Accounting Standards Research Initiative (FASRI).

Information on both the **analyst field test** and the **FASRI study** are available in September 2009 meeting materials.

Working Groups

To further their research, the boards and staff have been seeking input informally from the following groups on a regular basis:

The Joint International Group (JIG) on financial statement presentation was formed in 2005 to help the boards and staffs identify issues to be considered in this project and develop proposed solutions. The JIG consists of senior professionals with extensive experience in and responsibility for the preparation, analysis, audit, and regulation of financial statements. The JIG does not include members from the financial institution preparer or user community. **JIG Members**

The boards formed a Financial Institution Advisory Group (FIAG) in September 2006 to help them address presentation issues from the perspective of those who analyze and prepare financial institution financial statements. **FIAG Members**

The boards met with members of the JIG in January and June, 2005 and September 2006. **[Meeting Materials]**

Board members and staff met with members of both the JIG and the FIAG in September 2007. View a **summary** of that meeting and **meeting materials**.

Board members and staff met with members of both the JIG and the FIAG on July 27, 2009, in London. View **agenda and materials** from that meeting, as well as links to audio files.

Board members and staff met with members of both the JIG and the FIAG on February 12, 2010 in Norwalk. View **agenda and materials** from that meeting. View **meeting minutes**.

Background Information

In 2001, the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) added to their respective agendas a project on reporting financial performance and conducted those projects independently of one another. In 2004, the boards agreed that they should conduct a project of this nature jointly to promote the convergence of accounting standards used internationally. The FASB and IASB are sharing staff resources and research for this joint project. The joint project team consists of staff from the FASB, the IASB, and the ASBJ (Accounting Standards Board of Japan).

In agreeing to pursue their similar projects jointly, the boards agreed to take a fresh look at the presentation of information in financial statements. The joint project has an expanded scope beyond presentation and display of items of income and expense; it addresses presentation and display on the face of the financial statements that constitute a complete set of financial statements. In April 2004, the boards decided to approach the project in three phases:

a. Phase A would address the statements that constitute a complete set of financial statements and the periods for which they are required to be presented.
b. Phase B would address more fundamental issues relating to presentation and display of information in the financial statements, including aggregating and disaggregating information in each primary financial statement, defining totals and subtotals, and reconsidering the use of a direct or an indirect method of presenting operating cash flows.
c. Phase C would address the presentation and display of interim financial information in U.S. generally accepted accounting principles (GAAP). The IASB also may reconsider the requirements in IAS 34, Interim Financial Reporting.

Paper explaining the history of the project (an agenda paper from January 2005 JIG meeting)

Summary of User Interviews, FASB Staff Paper, February 2002

FASB Proposal for a Project on Reporting Financial Performance (August 17, 2001)

Background Information related to the August 2001 FASB Proposal

Comment Letters on the August 2001 FASB Proposal

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Project Update

Consolidation: Policy and Procedures—Joint Project of the IASB and FASB

Last Updated: February 1, 2010 (Updated sections are indicated with an asterisk *)

This project update summarizes the project activities and decisions of the IASB and the FASB (Boards). It was prepared by the staff and is for the information and convenience of their constituents. All decisions of the Boards are tentative, may change at future Board meetings, and do not change current accounting and reporting requirements. Decisions of the Boards become final only after extensive due process.

Project Objective

The objective of this joint project is to provide comprehensive guidance for consolidation of all entities, including entities controlled by voting or similar interests.

***Decisions Reached at the Last Meeting (January 19, 2010)**

The Boards discussed the following issues related to the consolidations project at the January 19, 2010 joint Board meeting:

1. Control through voting rights (including control with less than half of the voting rights in an entity)
2. Options and convertible instruments
3. Agency relationships (including kick-out rights)

Control through voting rights

The Boards tentatively decided that when assessing control of entities controlled through voting rights:

1. A reporting entity that holds more than half of the voting rights in an entity meets the power element of the control definition, in the absence of other arrangements.
2. A reporting entity (with less than half of the voting rights in an entity) that has the legal or contractual ability to direct those activities of the entity that significantly affect the returns meets the power element of the control definition.

The FASB tentatively decided that a reporting entity with less than half of the voting rights in an entity meets the power element of the control definition in situations where it has demonstrated that it has directed the activities of the entity that significantly affect the returns of the entity. The IASB tentatively decided that such a reporting entity meets the power element of the control definition in situations in which the reporting entity holds significantly more voting rights than any other party or organized group of shareholders, and in which the other shareholdings are widely dispersed.

Options and convertible instruments

The Boards tentatively decided that a reporting entity should consider options and convertible instruments when assessing whether it has the power through voting rights to direct the activities of an entity that significantly affect the returns. The consideration of whether a reporting entity has the power to direct the activities of the other entity would include not only a reporting entity's voting rights in another entity, but also an assessment of all the facts and circumstances associated with the options or convertible instruments.

Agency relationships (including kick-out rights)

The Boards discussed what factors should be considered when determining whether a party that has been delegated decision-making authority should be considered to be an agent. The Boards also discussed whether kick-out rights that are exercisable on agreement by more than one unrelated party could be substantive and should be considered when assessing agency relationships. The Boards did not reach any decisions on agency relationships. This topic will be discussed further by the IASB and the FASB at their February 2010 joint Board meeting.

***Summary of Decisions Reached to Date (As of November 3, 2009)**

At the October 26, 2009 Joint Board meeting the Boards concluded that the objectives for assessing control of structures that would be classified as variable interest entities (structured entities in ED10) under Statement 167 recent amendments to U.S. GAAP on consolidation and in the proposed IASB model are fundamentally consistent.

The Boards agreed to conduct the overall consolidation project jointly and deliberate issues relating to consolidation guidance at monthly joint meetings.

The IASB agreed to amend its project timetable to give both Boards the opportunity to deliberate issues jointly with the objective that the FASB would issue an exposure draft based on conclusions reached during the joint deliberation on consolidations. The current plan is for the FASB to issue an exposure draft in the second quarter of 2010 and for a final converged standard issued during the second half of 2010.

At the January 19, 2010 joint Board meeting the Boards discussed the following issues related to the consolidations project:

Control through voting rights

The Boards tentatively decided that when assessing control of entities controlled through voting rights:

1. A reporting entity that holds more than half of the voting rights in an entity meets the power element of the control definition, in the absence of other arrangements.
2. A reporting entity (with less than half of the voting rights in an entity) that has the legal or contractual ability to direct those activities of the entity that significantly affect the returns meets the power element of the control definition.

The FASB tentatively decided that a reporting entity with less than half of the voting rights in an entity meets the power element of the control definition in situations where it has demonstrated that it has directed the activities of the entity that significantly affect the returns of the entity. The IASB tentatively decided that such a reporting entity meets the power element of the control definition in situations in which the reporting entity holds significantly more voting rights than any other party or organized group of shareholders, and in which the other shareholdings are widely dispersed.

Options and convertible instruments

The Boards tentatively decided that a reporting entity should consider options and convertible instruments when assessing whether it has the power through voting rights to direct the activities of an entity that significantly affect the returns. The consideration of whether a reporting entity has the power to direct the activities of the other entity would include not only a reporting entity's voting rights in another entity, but also an assessment of all the facts and circumstances associated with the options or convertible instruments.

Agency relationships (including kick-out rights)

The Boards have not reached any decisions on agency relationships. This topic will be discussed further by the IASB and the FASB at their February 2010 joint Board meeting.

*Next Steps

The FASB and the IASB will continue to deliberate issues on consolidation guidance for all entities at monthly joint meetings with the goal that the FASB would publish an Exposure Draft that is consistent with the consolidation standard issued by the IASB in the second quarter of 2010.

*Board/Other Public Meeting Dates

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 a final standard.

*January 19, 2010	**Joint Board Meeting**—Consolidations
*December 17, 2009	**Joint Board Meeting (Informational)**—Consolidations
October 26, 2009	**Joint Board Meeting**—Consolidations

Background Information

The Board's technical agenda previously included a long-term project to develop comprehensive guidance on accounting for affiliations between entities, including reconsideration of ARB No. 51, *Consolidated Financial Statements.* The IASB also had an active project on its agenda to reconsider its guidance in this area. In 2004, the IASB and the FASB agreed that an objective of both their projects was to develop a common, high-quality standard on consolidation policy. In June 2009, the Board issued FASB Statement No. 167, *Amendments to Interpretation No. 46(R)* to improve financial reporting by enterprises involved with variable interest entities. The IASB also published an Exposure Draft, *ED 10 Consolidated Financial Statements*, in December 2008.

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Project Updates

Disclosure of Certain Loss Contingencies

Last Updated: October 14, 2009 (Updated sections are indicated with an asterisk *)

The staff has prepared this summary of Board decisions for information purposes only. Those Board decisions are tentative and do not change current accounting. Official positions of the FASB are determined only after extensive due process and deliberations.

Project Objective

The objective of this project is to enhance the disclosure requirements for loss contingencies under FASB Statement No. 5, *Accounting for Contingencies.*

Due Process Documents

The Board issued an Exposure Draft, *Disclosure of Certain Loss Contingencies*, on June 5, 2008. The comment period ended on August 8, 2008.

Exposure Draft

Comment Letters

Comment Letter Summary

Decisions Reached at the Last Meeting

At the August 19, 2009 meeting, the Board began redeliberations of disclosure requirements for certain loss contingencies. The Board decided to initially focus its deliberations on loss contingencies associated with litigation and to consider other types of loss contingencies at a future meeting.

The Board decided on the following disclosure objective:

An entity shall disclose qualitative and quantitative information about the loss contingency to enable a financial statement user to understand the nature of the contingency and its potential timing and magnitude.

The Board decided on the following broad principles for disclosures about loss contingencies:

1. Disclosures about litigation contingencies should focus on the contentions of the parties, rather than predictions about the future outcome.
2. Disclosures about a contingency should be more robust as the likelihood and magnitude of loss increase and as the contingency progresses toward resolution.
3. Disclosures should provide a summary of information that is publicly available about a case and indicate where users can obtain more information.

The Board decided to maintain the existing requirement to disclose asserted claims and assessments whose likelihood of loss is at least reasonably possible and to clarify that at least reasonably possible and more than remote have the same meaning. The Board also decided that certain remote loss contingencies should be disclosed, and it directed the staff to develop possible approaches for discussion at a future meeting. The Board also decided to maintain existing threshold requirements for unasserted claims and assessments and agreed to enhance the existing interpretive guidance about the threshold.

The Board decided that entities should not consider the possibility of recoveries from insurance or indemnification arrangements when assessing whether a contingency should be disclosed.

Regarding quantitative disclosure requirements, the Board directed the staff to develop an approach that would focus on disclosure of nonprivileged quantitative information that would be relevant to making an estimate of the potential loss, for consideration by the Board at a future meeting.

The Board decided not to require entities to disclose information about settlement negotiations.

The Board decided to require disclosure about possible recoveries from insurance and other sources if and to the extent that the information has been provided to the plaintiff in discovery.

The Board discussed the effective date of any final guidance on this project and decided not to rule out the possibility that it could be effective for fiscal years ending after December 15, 2009.

Next Steps

The Board will continue redeliberations of disclosure of certain loss contingencies at a future meeting.

***Board/Other Public Meeting Dates**

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 a final standard.*

Below is a list of the FASB Board/Public meetings. Minutes for meetings generally are posted within two weeks following the meeting.

*August 19, 2009	**Board Meeting**—Plan for redeliberations, effective date, disclosure objective, broad principles of disclosure, threshold for disclosure, quantitative disclosures, settlement negotiations, and possible recoveries
March 6, 2009	**Roundtable Meeting:—**Disclosure of Certain Loss Contingencies **Morning Session** **Afternoon Session**
September 24, 2008	**Board Meeting**—Plan for Redeliberations
March 11, 2008	**Board Meeting**—Amended Disclosure Requirements
September 6, 2007	**Board Meeting**—Agenda Decision

Background Information

In March 1975, the Board issued Statement 5 (codified as Topic 450) to address the accounting for contingencies. Since that time, Topic 450 has affected the accounting for many transactions that involve some component of uncertainty.

At the September 6, 2007 meeting, the Board added a project to its agenda on the accounting for certain nonfinancial liabilities and contingencies, including loss contingencies under Subtopic 450-20. Originally, the Board decided to conduct this project in two phases: a short-term phase to amend and enhance the disclosure requirements for loss contingencies under Section 450-20-50 and a long-term phase to comprehensively reconsider the recognition and measurement guidance for certain nonfinancial liabilities. However, on June 11, 2008, the long-term phase of this project was removed from the Board's agenda because the Board plans to consider at a future date whether to address that accounting in a joint project with the IASB.

The project now focuses exclusively on loss contingency disclosures. The project was undertaken to address constituents' concerns that the disclosures about certain loss contingencies under existing guidance do not provide sufficient information in a timely manner to assist users in assessing the likelihood, timing, and amounts of cash flows associated with loss contingencies. To address these concerns, the Board issued an Exposure Draft, *Disclosure of Certain Loss Contingencies.* The proposed Accounting Standards Update would expand the disclosures about certain loss contingencies by replacing the disclosure requirements of Section 450-20-50 for those loss contingencies with the new, enhanced disclosure requirements in the proposed Update.

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Project Update

Disclosures about an Employer's Participation in a Multiemployer Plan

Last Updated: April 19, 2010 (Updated sections are indicated with an asterisk *)

The staff has prepared this summary of Board decisions for information purposes only. Those Board decisions are tentative and do not change current accounting. Official positions of the FASB are determined only after extensive due process and deliberations.

Project Objective

The objective of this project is to enhance the disclosure requirements about an employer's participation in a multiemployer plan under *FASB Accounting Standards Codification*™ Subtopic 715-80 (originally issued as FASB Statements No. 87, *Employer's Accounting for Pensions*, No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*, and No. 132 (revised 2003), *Employers' Disclosures about Pensions and Other Postretirement Benefits).*

***Summary of Decisions Reached to Date**

At the April 14, 2010 meeting, the Board deliberated on the disclosure requirements of an employer's participation in a multiemployer plan. The Board decided on the following:

The Board agreed on the staff's recommendation for an employer to disclose both quantitative and qualitative information about its participation in a multiemployer plan. This will inform the financial statement users about the employer's commitment to the plan and the effect of future cash flows. The proposed disclosures are derived largely from the agreement between the employer and the plan. Additionally, some of the disclosure requirements are based on information that can be obtained by the employer from the plan under the requirements of the Pension Protection Act of 2006.

The Board agreed to make the disclosure requirements effective prospectively. The Board agreed to propose in the Exposure Draft that the new guidance should be effective for fiscal years ending after December 15, 2010, except that for **nonpublic** entities the new guidance should be effective for the first annual period beginning after December 15, 2010.

The Board directed the staff to draft an Exposure Draft of a proposed Accounting Standards Update for vote by written ballot.

The Board decided that the Exposure Draft should be exposed for a 60-day comment period and directed the staff to solicit comments from the constituents that may be affected by the final standard.

*Next Steps

The Board has directed the staff to begin drafting a proposed Accounting Standards Update. The staff expects to issue the proposed Update in the second quarter of 2010 and a final Update early in the fourth quarter of 2010.

*Board/Other Public Meeting Dates

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 a final standard.

***April 14, 2010**	Board Meeting—Disclosure Requirements
March 17, 2010	**Board Meeting**—Agenda Announcement

Background Information

At the March 17, 2010 FASB Board meeting, the FASB chairman announced the addition of a new project aimed at expanding disclosures about an employer's participation in a multiemployer plan (that is, pension and other postretirement benefits). The project was added in response to concerns raised by several constituents about the current disclosures for multiemployer plans. Among the concerns raised is the lack of information in the financial statements, beyond the contributions made, about an employer's participation in a multiemployer plan. Additionally, several users have published reports highlighting these concerns, including the potential for increases in contributions as a result of plans being underfunded. The funded status of many of these plans deteriorated significantly during the financial crisis of 2008 when plan asset values dropped significantly.

It is envisioned that expanded disclosures would enable users of financial statements to better assess the risks a reporting entity faces by participating in a multiemployer plan.

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ATTACHMENT 6

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AICPA/FAF/NASBA "Blue-Ribbon Panel" on Standard Setting for Private Companies

Objectives and Timeline

The American Institute of Certified Public Accountants (AICPA), the Financial Accounting Foundation (FAF; the parent organization of the Financial Accounting Standards Board (FASB)), and the National Association of State Boards of Accountancy (NASBA) have established a "blue ribbon panel" (the Panel) to address how accounting standards can best meet the needs of U.S. users of private company financial statements. The Panel will conclude its work and issue a report, with any recommendations on the future of standard setting for private companies, to the FAF Board of Trustees (the Trustees) in approximately one year. The Panel's report will be made available to the public and the Trustees' resulting action plan is expected to be exposed for public comment prior to that plan being finalized.

Panel Structure and Membership

The Panel is chaired by Rick Anderson, Chairman and CEO of Moss Adams, LLP, and FAF Trustee, and is comprised of 18 members. ***Panel Members*** are senior leaders who represent a cross-section of financial reporting constituencies, including lenders, investors, and owners, as well as preparers and auditors. All members have both extensive experience in their field and a keen and broad interest in financial reporting for private companies.

In addition to the Panel members, the Panel also has invited certain regulators and other key stakeholders to serve as ***Participating Observers***.

Others will likely be invited to individual meetings to provide their expertise to the Panel on specific matters.

Staffing is provided by the AICPA and the FAF.

Scope of Review

The Panel will comprehensively review the current system of standard setting for private companies in the U.S., including the following matters:

- Who are the actual users of private company financial statements and how do they use GAAP financial statements in their decision making?
- What is the key, decision-useful information that the various users need from GAAP financial statements?
- Are current GAAP financial statements meeting those needs? Why or why not?
- Are the benefits of GAAP financial statements outweighing the costs of preparing those statements for private companies?

- How does standard setting for private companies in the U.S. compare to standard setting in other countries, both those that have adopted IFRS for Small and Medium-Size Entities and those that have not?
- To the extent that current GAAP is not meeting user needs in a cost-beneficial manner, what are some possible alternatives for private company standards (e.g., separate, stand-alone standards; base-level standards for all entities with additional disclosure requirements for public companies) and what are the implications for standard-setter structure and/or processes?

In addressing these matters at a strategic level, the Panel will consider relevant studies and other reports on private company financial reporting that have been done over the years by the AICPA, the FAF, and others.

Panel Meetings

The Panel will have approximately 4-5 in-person, one-day **meetings**. The meetings will generally be held in either New York or Norwalk, CT, although one of the meetings may be held elsewhere.

Because of the high level of interest in the Panel's work from various reporting constituencies, the Panel will generally meet in public sessions, with webcasting facilities available to all interested parties. The Panel meetings may also involve private sessions, at the discretion of the chairman, for administrative matters and report drafting.

Depending on the needs of the Panel, sub-panels may be formed to consider various issues in-between panel meetings.

Additional Information

If you would like more detailed information about Blue-Ribbon Panel, call or write:

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Project Updates

Revenue Recognition—Joint Project of the FASB and IASB

Last Updated: April 5, 2010 (Updated sections are indicated with an asterisk *)

This project update summarizes the project activities and decisions of the FASB and IASB (the Boards). It was prepared by the staff and is for the information and convenience of the Boards' constituents. All decisions of the Boards are tentative, may change at future Board meetings, and do not change current accounting and reporting requirements. Decisions of the Boards become final only after extensive due process.

*PROJECT OBJECTIVE AND SUMMARY OF THE PROPOSED MODEL

There are no significant differences between the decisions reached by the FASB and the IASB on this project.

Project objective

Revenue is a crucial number to users of financial statements in assessing a company's performance and prospects. However, revenue recognition requirements in U.S. GAAP differ from those in IFRSs and both are considered in need of improvement. U.S. GAAP comprises broad revenue recognition concepts and numerous industry or transaction-specific requirements that can result in different accounting for economically similar transactions. Although IFRSs contain less guidance on revenue recognition, its two main standards IAS 18 *Revenue* and IAS 11 *Construction Contracts* can be difficult to understand and apply beyond simple transactions. In addition, they lack guidance on important topics such as revenue recognition for multiple-element arrangements.

Accordingly, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) initiated a joint project with an objective to clarify the principles for recognizing revenue and develop a common revenue standard for U.S. GAAP and IFRSs that would:

(a) remove inconsistencies and weaknesses in existing revenue recognition standards and practices,

(b) provide a more robust framework for addressing revenue recognition issues,

(c) improve comparability of revenue across industries, companies and geographical boundaries, and

(d) simplify the preparation of financial statements by reducing the number of standards to which entities must refer.

To meet that objective, the Boards are jointly developing a draft standard on revenue from contracts with customers. The Boards plan to issue an Exposure Draft in the second quarter of 2010.

Summary of the proposed model

The proposed model specifies the principles that an entity would apply to report useful information about the timing and amount of revenue and cash flows arising from its contracts to provide goods and services to customers. In summary, the core principle would require an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration expected to be received in exchange for those goods or services.

To meet that principle, the proposed model would require an entity to:

(a) identify the contract with a customer,

(b) identify the separate performance obligations in the contract,

(c) determine the transaction price,

(d) allocate the transaction price to the separate performance obligations,

(e) recognize revenue when a performance obligation is satisfied.

The proposed model also specifies the accounting for some costs associated with contracts with customers.

Identify the contract with a customer

In most cases an entity would apply the proposed requirements to a single contract. However, the requirements specify when an entity would combine two or more contracts and account for them as a single contract, or segment a single contract and account for it as two or more contracts.

Identify the separate performance obligations in the contract

Performance obligations in a contract are the enforceable promises to transfer goods or services to a customer. The promises include implicit promises created by an entity's customary business practice.

An entity would account for a performance obligation separately if the promised good or service is distinct from other goods or services promised in the contract. Typically, a good or service is distinct from other goods or services in the contract if:

(a) it is identified separately in the contract,

(b) it has a distinct profit margin,

(c) it has a distinct function, and

(d) it is transferred to the customer at a different time.

Determine the transaction price

The transaction price is the amount of consideration that a customer pays in exchange for goods or services. If that amount is variable, for instance because of possible rebates or contingencies, the transaction price is the probability-weighted estimate of the amount of consideration from the customer.

An entity would reflect variable consideration in its determination of the transaction price only if it can identify the possible outcomes of a contract (that is, consideration amounts) and reasonably estimate the probabilities of those outcomes.

Allocate the transaction price to the separate performance obligations

An entity would allocate the transaction price to the separate performance obligations relative to the standalone selling prices of the goods or services underlying those performance obligations. If a standalone selling price is not directly observable, an entity would estimate it.

The transaction price would be updated over the life of the contract with changes allocated to the separate performance obligations.

Recognize revenue when a performance obligation is satisfied

An entity would recognize revenue when it satisfies a performance obligation by transferring a promised good or service to the customer. A promised good or service is transferred when the customer obtains control of that good or service, that is, when the customer has the present ability to direct the use of and receive the benefit from that good or service.

The proposed model provides indicators to assist an entity in determining whether a customer has obtained control of a good or service.

The amount of revenue recognized when a performance obligation is satisfied would be the amount of the transaction price allocated to the satisfied performance obligation. If the transaction price changes after contract inception, the amount of the change allocated to satisfied performance obligations would be recognized as revenue in the period in which the transaction price changes.

When goods or services are transferred to a customer continuously (that is, a performance obligation is satisfied continuously) an entity would select the revenue recognition method that best depicts the transfer of goods or services to the customer. Acceptable methods include (a) output methods (for example, revenue recognized on basis of units produced or delivered, contract milestones or surveys of goods or services transferred to date), (b) input methods (for example, revenue recognized on basis of costs incurred as a percentage of total costs expected to be incurred), and (c) methods based on the passage of time.

Contract costs

The proposed model would require an entity to recognize:

(a) the costs of obtaining a contract as an expense as incurred,

(b) the direct costs of fulfilling a contract as an asset if those costs (i) generate or enhance resources to be used in satisfying performance obligations in a contract, and (ii) are probable of recovery under a contract (or anticipated contract).

Disclosure

The proposed model specifies information that an entity would disclose to help users of its financial statements evaluate the timing and amount of revenue.

DUE PROCESS DOCUMENTS

On December 19, 2008, the Boards published, for public comment, a Discussion Paper, *Preliminary Views on Revenue Recognition in Contracts with Customers.*

- **Download** the FASB Discussion Paper. **Download** the IASB Discussion Paper which is the same except for minor differences in spelling, style, and format.
- Read the **press release** introducing the Discussion Paper.
- Read a **snapshot** of the Boards' preliminary views in the Discussion Paper.
- Listen to the FASB's **webcast** on the Discussion Paper presented on March 27, 2009.

The Discussion Paper was open for public comment until June 19, 2009.

In July 2009, the Boards considered a summary of comment letters received. The comment letters will be considered further as the Boards further develop the proposed revenue recognition model.

Comment Letters

Comment Letter Summary

The Boards expect to publish the Exposure Draft in 2010.

DECISIONS REACHED AT THE LAST MEETING (March 22, 2010)

The boards considered how an entity should account for a contract that includes some components that are within the scope of the revenue standard and other components that are within the scope of other standards.

The boards tentatively decided that if other standards specify how to separate or measure components of a contract, an entity should apply those requirements. Otherwise, the entity should apply the principles of the revenue standard.

Next steps

The boards plan to publish the exposure draft in the second quarter. They do not plan to discuss any further issues, except any issues arising from (a) consideration of consequential amendments and (b) review of the draft exposure draft.

Project Update

Fair Value Measurement and Disclosure—Joint Project of the IASB and FASB

Last Updated: April 2, 2010 (Updated sections are indicated with an asterisk *)

The staff has prepared this summary of Board decisions for information purposes only. Those Board decisions are tentative and do not change current accounting. Official positions of the FASB are determined only after extensive due process and deliberations.

Project Objective

The objective of this joint IASB/FASB project is to create converged fair value measurement guidance. To achieve this objective, the FASB and the IASB have agreed to the following:

1. The project's objective is to ensure that fair value has the same meaning in U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS).
2. The project's goal is to make U.S. GAAP and IFRS guidance on fair value measurement the same, other than minor necessary differences in wording or style. The FASB agreed to consider comments received on the IASB Exposure Draft, Fair Value Measurement, and to propose amendments to guidance on fair value measurement in U.S. GAAP, if necessary, to achieve that goal.
3. If perceptions of guidance on fair value measurement are different in U.S. GAAP and IFRS, the Boards will work together to address those perceptions.

***Decisions Reached at Last Meeting (March 31, 2010)**

The Board discussed the scope, transition method, and comment period for its Exposure Draft of proposed changes to its fair value measurement guidance (FASB Accounting Standards Codification™ Topic 820), deciding:

1. Not to change the scope of Topic 820.

2. An entity would adopt the proposed changes that affect a fair value measurement using a limited retrospective method.
3. An entity would be required to provide the additional proposed disclosures only for periods beginning after the changes are effective (prospectively).

The Board decided that the Exposure Draft would have a minimum of a 45-day comment period, with the comment period ending August 16, 2010. The Board will discuss whether to allow early adoption when it decides on the effective date of a FASB Accounting Standards Update. The Board directed the staff to draft the proposed Update for vote by written ballot.

***Summary of Decisions Reached to Date (As of March 31, 2010)**

Summary of decisions reached to date.

Summary of differences between FASB and IASB decisions reached to date .

***Next Steps**

The Board directed the staff to draft a proposed Update. The FASB intends to issue the proposed Update by the end of second quarter 2010.

***Board/Other Public Meeting Dates**

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 a final standard.

*****March 31, 2010	**FASB Board Meeting**—March deliberations (cont'd)
*****March 24, 2010	**Joint Board Meeting**—March deliberations (cont'd)
*****March 22, 2010	**Joint Board Meeting**—March deliberations (cont'd)
March 11, 2010	**Joint Board Meeting**—March deliberations (cont'd)
March 3, 2010	**Joint Board Meeting**—March deliberations
February 18, 2010	**Joint Board Meeting**—February deliberations (cont'd)
February 16, 2010	**Joint Board Meeting**—February deliberations
January 20, 2010	**Joint Board Meeting**—January deliberations (cont'd)
January 18, 2010	**Joint Board Meeting**—January deliberations
December 16, 2010	**Joint Board Meeting**—Updated project plan

October 28, 2009 **Joint Board Meeting**—Agenda Decision

Background Information

The FASB issued Statement No. 157, *Fair Value Measurements*, in 2006, and its guidance has been effective since November 2007. In May 2009, the IASB issued an Exposure Draft on fair value measurement in which it used Topic 820 of the *FASB Accounting Standards Codification*™ as a starting point. The guidance in that Exposure Draft is largely consistent with FASB guidance. Paragraph BC110 of the Exposure Draft provides the differences between the Exposure Draft and Topic 820. At the October 2009 joint Board meeting, the FASB and the IASB agreed to create converged fair value measurement guidance.

FASB Documents

Accounting Standards Codification™ Topic 820 (originally issued as **Statement 157**)

IASB Documents

Exposure Draft, Fair Value Measurement
Exposure Draft, Fair Value Measurement: Basis for Conclusions
Exposure Draft, Fair Value Measurement: Illustrative Examples
Exposure Draft, Fair Value Measurement: Comment Letters
Marked-up text from Statement 157 (*FASB Accounting Standards Codification*™ Topic)
IASB Expert Advisory Panel Report

IASB Fair Value Measurement Project Update

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Project Update

Accounting for Financial Instruments (formerly Financial Instruments: Improvements to Recognition and Measurement and including the Accounting for Hedging Activities Project)—Joint Project of the IASB and FASB

Last Updated: April 15, 2010 (Updated sections are indicated with an asterisk *)

This project update summarizes the project activities and decisions of the IASB and the FASB (Boards). It was prepared by the staff and is for the information and convenience of their constituents. All decisions of the Boards are tentative, may change at future Board meetings, and do not change current accounting and reporting requirements. Decisions of the Boards become final only after extensive due process.

Project Objective

The objective of this project is to significantly improve the decision usefulness of financial instrument reporting for users of financial statements. The project will replace the FASB's and IASB's respective financial instruments standards with a common standard. The Boards believe that simplification of the accounting requirements for financial instruments should be an outcome of this improvement. Although the project objective is comprehensive, it is also the Boards' objective that the project should be completed expeditiously.

The Boards believe that this project will:

1. Reconsider the recognition and measurement of financial instruments
2. Address issues related to impairment of financial instruments and hedge accounting
3. Increase convergence in accounting for financial instruments.

The Board decided to include redeliberations on the Accounting for Hedging Activities Project within this project. Therefore, this project will also:

1. Simplify and resolve practice issues in accounting for hedging activities
2. Improve the financial reporting of hedging activities to make the accounting model and associated disclosures easier to understand for users of financial statements
3. Address differences in the accounting for derivative instruments and hedged items or transactions.

Due Process Documents

The FASB and IASB issued for comment a Discussion Paper, *Reducing Complexity in Reporting Financial Instruments,* in March 2008. The comment period ended September 19, 2008.

Reducing Complexity Discussion Paper

Reducing Complexity Comment Letters

Reducing Complexity Comment Letter Summary

The Board issued an Exposure Draft, *Accounting for Hedging Activities*, on June 6, 2008. The comment period ended on August 15, 2008.

Accounting for Hedging Activities Exposure Draft

Accounting for Hedging Activities Comment Letters

Accounting for Hedging Activities Comment Letter Summary

IASB Due Process Documents

The IASB completed its first phase of classification and measurement with the issuance of IFRS 9 *Financial Instruments* on November 12, 2009.

IFRS 9 Financial Instruments

The IASB issued an Exposure Draft, *Amortised Cost and Impairment*, on November 5, 2009 with a comment period ending on June 30, 2010.

IASB Amortised Cost and Impairment Exposure Draft

IASB Amortised Cost and Impairment Comment Letters

Decisions Reached at the Last Meeting (March 31, 2010)

March 31, 2010

Credit Impairment

The Board discussed various aspects of the approach for recognition and measurement of credit impairment for financial assets for which certain changes in fair value may be recognized in other comprehensive income.

The Board discussed the recognition and measurement of credit impairment for financial assets assessed for impairment on an individual basis. The Board decided that, for such financial assets, even if the asset is not impaired based on an entity's assessment of the asset on an individual basis, recognition of a credit impairment may be appropriate based on loss experience for financial assets with similar characteristics. Therefore, the entity can recognize a credit impairment for such financial assets and measure the credit impairment based on a historical loss rate for financial assets having similar risk characteristics. If a financial asset is impaired based on an entity's assessment of the asset on an individual basis, the entity should recognize a credit impairment for that asset equal to the amount by which the amortized cost exceeds the present value of the cash flows the entity expects to collect. In that situation, the entity should not recognize any additional credit impairment for the financial asset in addition to the amount determined based on the net present value of cash flows not expected to be collected.

The Board also discussed the recognition and measurement of credit impairment for pools of homogeneous financial assets for which impairment is assessed and measured based on a historical loss rate. For such financial assets, the Board decided that the amount of credit impairment to be recognized in net income at the end of the reporting period during which the assets were originated or acquired should be determined by applying an aggregate loss rate to the pool balance. In subsequent periods, changes in the loss rate would generally result in the recognition of an additional credit impairment or the reversal of a credit impairment recognized in a previous period.

Interest Income Recognition

The Board discussed the approach for recognition of interest income related to interest-earning financial assets based on previous decisions in the Accounting for Financial Instruments project. The Board agreed that the difference between the amount of the accrued interest receivable based on the contractual interest due and the amount of interest income accrued based on the application of the asset's effective interest rate to the amortized cost balance net of the allowance should be recognized as an increase to the allowance for credit losses. To the extent that the allowance account exceeds an entity's estimate of expected losses, the difference would be recognized in income as a recovery.

Disclosures

The Board discussed disclosures about financial assets and financial liabilities within the scope of the project.

The Board decided that an entity would be required to provide disclosures that are disaggregated on the basis of the nature, characteristics, and risks of the financial instruments. The Board decided that the following disclosures would be required for each annual and interim reporting period:

For financial liabilities whose fair value changes are recognized in net income, an entity would disclose:

1. Qualitative information about the reasons for changes in fair value attributable to changes in the entity's creditworthiness (excluding the change in the price of credit)
2. How the gains and losses attributable to changes in instrument-specific credit risk related to the entity's change in creditworthiness were determined.

For financial instruments whose fair value changes are recognized in other comprehensive income, an entity would disclose:

1. Information about the contractual maturities of the financial instruments
2. For all purchased financial assets:
    1. Principal amount of the instrument
       (Less) Purchaser's assessment of the discount related to credit
       <u>(Plus or minus) Purchase premium or discount</u>
       Amortized cost
    2. How the entity determined its assessment of the discount related to credit
3. For financial liabilities:
    1. Qualitative information about the reasons for changes in fair value attributable to changes in the entity's creditworthiness (excluding the change in the price of credit)
    2. How the gains and losses attributable to changes in instrument-specific credit risk related to the entity's change in creditworthiness were determined
4. For financial instruments that an entity sells or settles before their contractual maturity:
    1. The fair value of the financial instruments
    2. The gross realized gains and gross realized losses recognized in net income
    3. The basis on which the cost of an instrument sold was determined (that is, specific identification, average cost, or other method used)
    4. An explanation of the reasons for selling or settling the financial instruments
5. For financial instruments on which an entity recognizes interest income:
    1. The method used for calculating interest income on a pool of financial assets that are collectively assessed for impairment
    2. If interest income is calculated on a pool basis using a weighted-average interest rate, the amortized cost basis, allowance for credit losses, and weighted-average interest rate of each pool
6. For financial assets that have a negative yield and are not accruing interest, an entity would disclose the carrying amount and amortized cost.
7. For financial assets with an allowance account, an entity would disclose:
    1. The total allowance for credit losses by portfolio segment and in the aggregate, including the balance in the allowance at the beginning and end of each period, additions charged due to operations, additions from recognizing less interest than the gross interest contractually due, direct write-downs charged against the

allowance, changes in methods and estimates, if any, and recoveries of amounts previously charged off.

2. The factors considered in determining whether the financial asset is impaired.
3. The inputs and assumptions used to measure credit impairments recognized in the performance statement. Examples of significant inputs include, but are not limited to, performance indicators of the underlying assets in the instrument (including default rates, delinquency rates, and percentage of nonperforming assets), collateral values, loan-to-collateral-value ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, and credit ratings.
4. The cumulative amount of credit impairments by class and the related carrying amount and unpaid principal balance for financial assets.
5. The average carrying amount and the related amount of interest income recognized during each reporting period for impaired financial assets.
6. The amortized cost and fair value of financial assets, by class, that are written off.

For financial liabilities for which the amortized cost option is elected, an entity would disclose:

1. An explanation of the reasons why measuring the financial liability at fair value would create or exacerbate an accounting attribute mismatch.
2. The fair value of the financial liability.

For core deposit liabilities, an entity would disclose, disaggregated by class:

1. The calculation of average core deposit balances
2. The determination of the implied maturity period
3. The sources of the alternative funds rate used and why
4. The all-in-cost-to-service rate
5. A measurement uncertainty analysis.

The Board decided that for all financial instruments measured at fair value and classified as Level 3 in the fair value hierarchy except unquoted equity instruments, an entity would be required to comply with the measurement uncertainty disclosures decided by the Board in the joint fair value measurement project. For the measurement uncertainty disclosures, for each significant input, an entity would disclose the weighted-average input used to measure fair value in each interim and annual reporting period. However, the measurement uncertainty analysis disclosure would be required in annual reporting periods. For interim reporting periods, if the volatility of those inputs has significantly changed from the previous reporting period, the entity would provide the measurement uncertainty disclosures. If the volatility of those inputs did not significantly change from the previous fiscal year end, the entity would disclose such and would not be required to provide the measurement uncertainty disclosures.

The Board decided that entities would be required to disaggregate *FASB Accounting Standards Codification*™ Topic 820 recurring fair value disclosures by whether the changes in fair value for the financial instruments are recognized in net income or in other comprehensive income.

The Board decided for equity investments accounted for under the equity method of accounting, an entity should disclose management's assessment about how the investment is considered related to the entity's consolidated businesses for each interim and annual reporting period. Factors to consider when determining if the investee's operations are considered related to the entity's consolidated businesses include the line of business in which the entity and investee operate, the level of intra-entity transactions between the entity and the investee (for example, the investee provides procurement, production, or distribution functions), and the level of common management between the entity and investee.

Summary of Decisions Reached to Date (as of March 31, 2010)

The Summary of Decisions Reached to Date is 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 a final Accounting Standards Update.

Summary of Decisions Reached to Date (as of March 31, 2010)

***FASB/IASB Comparison**

The following document provides a side-by-side comparison of the FASB and IASB proposed models for financial instruments. For a complete description of the FASB proposed model, see the Summary of Decisions Reached to Date section above. For a complete description of the IASB model, refer to IFRS 9 *Financial Instruments* for the finalized requirements for classifying and measuring financial assets and the IASB financial instruments project **website** for a summary of their deliberations to date for a summary of their deliberations to date on all other aspects of accounting for financial instruments (such as financial liabilities, impairment, and hedge accounting).

***Comparison of FASB and IASB models (as of April 2010)**

***Next Steps/Project Plan**

The Boards will continue to develop a comprehensive model for accounting for financial instruments, including hedge accounting. The Boards plan to deliberate certain issues relevant to this project separately and then meet subsequently to reconcile differences in their technical decisions.

The FASB is participating with the IASB in an Expert Advisory Panel (EAP) that will advise the Boards on the operational issues surrounding the IASB's Expected Cash Flow approach and the FASB's approach for determining credit impairments.

The document below provides a summarized update of the discussions of the EAP on the pertinent aspects of the proposed FASB credit impairment model to inform the FASB and its constituents. This paper does not contain the detailed minutes of the EAP or its final recommendations to the Boards.

***Summary of EAP Discussions**

The FASB will continue to consider the financial statement presentation of financial instruments other than those measured at fair value with changes in fair value recognized in net income.

The IASB will separately consider whether to require presentation of:

1. fair value for financial instruments measured at amortized cost on the face of the statement of financial position
2. information about changes in fair value of financial instruments recognized at amortized cost on the face of the performance statement
3. the components of other comprehensive income, including any fair value changes recognized in other comprehensive income on the face of the performance statement.

FASB Project Plan

The FASB expects to issue one comprehensive proposed Accounting Standards Update that addresses the measurement, classification, and impairment of financial instruments, as well as hedge accounting, by second quarter 2010. The Board considered approaching the project in several phases and issuing multiple exposure documents. However, the Board believes that these issues are interrelated and that its comprehensive approach will result in requirements that are more coherent making it easier for constituents to react to and understand. For example, the Board is considering various impairment models and the possibility of selecting one of those impairment models for all financial instruments. The Board's decision on impairment depends on the overall classification and measurement model for financial instruments as the classification and measurement model will influence the relevance and cost/benefit of each impairment model. The Board must also consider overlapping issues with respect to hedge accounting. In addition, a comprehensive approach to accounting for financial instruments may also reduce the possibility of entities having to change their accounting policies and systems on several occasions.

FASB Project Plan (as of April 6, 2010)

The FASB has posted to its website a detailed description of its tentative approach to classification and measurement of financial instruments (see **Summary of Decisions Reached to Date**) as a way of informing interested constituents and obtaining early input from them. The FASB will continuously update that description as the Board makes additional decisions.

As another way of obtaining early input on tentative decisions reached and issues relevant to the Accounting for Financial Instruments project, the Board and staff have held informal discussions in addition to public roundtables with constituents. The Board and staff obtained input from various investors, preparers, auditors, regulators, and valuation specialists. The summary below is provided for the information and convenience of constituents who are following the project.

The FASB will consider input received on its tentative model as well as feedback received on the IASB's Exposure Draft and IASB redeliberations as it develops its proposed Accounting Standards Update.

FASB Outreach Summary (as of November 2009)

IASB Project Plan

The IASB decided to complete its deliberations on the project in three phases:

Phase 1: Classification and measurement—On November 12, 2009, the IASB issued IFRS 9 *Financial Instruments*, which covers classification and measurement of financial assets in time to allow, but not require, early adoption for 2009 calendar year-end financial statements. The IASB plans to issue an exposure draft on classification and measurement of financial liabilities in the first half of 2010.

Phase 2: Impairment—The IASB has made tentative decisions about impairment and issued an exposure document on amortized cost and impairment in November 2009. The comment period ends on June 30, 2010.

Phase 3: Hedge accounting—The IASB plans to issue an exposure draft on hedge accounting in the first half of 2010.

The IASB plans to complete the remaining phases during 2010.

Click here to access the IASB's financial instruments project website for more information about the IASB project plan and IASB's summary of decisions reached to date.

Board/Other Public Meeting Dates

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 a final standard.

March 31, 2010	**Board Meeting**—Decisions about interest income recognition, credit impairment, and disclosures
March 19, 2010	**Board Meeting**—Decisions about transition and scope issues related to Topic 815, contingencies, and guarantees
March 17, 2010	**Board Meeting**—Decisions about the amortized cost option for certain financial liabilities, classification and measurement of loan commitments, and specialized industries within the scope of the proposed ASU to be issued
March 16, 2010	**Education Session**—Discussions about specialized industries within the scope of the proposed ASU to be issued
March 15, 2010	**Education Session**—Discussions about the classification and measurement of loan commitments
March 10, 2010	**Board Meeting**—Decisions about the hedge accounting

	model to be included in the proposed ASU to be issued
March 4, 2010	**Education Session**—Discussions about the hedge accounting model to be included in the proposed ASU to be issued
March 3, 2010	**Board Meeting**—Decisions about short-term receivables and payables, investments in certain other investments, and deferred tax assets/liabilities
February 24, 2010	**Education Session**—Discussions about deferred tax assets/liabilities, short-term receivables/payables, and restricted stock
February 24, 2010	**Board Meeting**—Decisions about equity method investments, entities within the scope of the proposed Accounting Standards Update (ASU) to be issued under this project, and financial liabilities
February 19, 2010	**Education Session**—Discussions about the classification and measurement of financial liabilities
February 17, 2010	**Joint Board Meeting**—Discussions about financial liabilities and decisions about hedging risk components (bifurcation-by-risk)
February 10, 2010	**Joint Board Meeting**—Discussions about financial liabilities
February 3, 2010	**Education Session**—Discussions about the classification and measurement of financial liabilities, entry value as a potential measurement attribute for financial instruments, and entities/industries within the scope of the Accounting Standards Update issued under this project.
February 2, 2010	**Joint Board Meeting**—Discussions about the objective of hedge accounting and hedging risk components (bifurcation-by-risk).
January 20, 2010	**Joint Board Meeting**—Discussions about financial liabilities
January 19, 2010	**Joint Board Meeting**—Discussions about the timeline for the hedge accounting phase of the project.
January 13, 2010	**Board Meeting**—Decision to clarify the credit impairment and interest income model for financial assets measured at fair value with changes in fair value

	recognized in other comprehensive income.
January 7, 2010	**Education Session—**Discussions about the impairment and interest income model for financial assets measured at fair value with changes in fair value recognized in other comprehensive income.
December 22, 2009	**Education Session—**Discussions about the impairment and interest income model for financial assets measured at fair value with changes in fair value recognized in other comprehensive income.
December 16, 2009	**Joint Board Meeting**—Discussions about hedge accounting, including feedback received from outreach performed by staff related to hedge accounting.
November 24, 2009	**Board Meeting**—Decision about the measurement attribute for core deposits and discussions about an amortized cost option for certain financial liabilities.
November 17, 2009	**Education Session—**Discussions about an amortized cost option for certain financial liabilities.
November 17, 2009	**Board Meeting**—Decision regarding the definition of amortized cost.
November 10, 2009	**Education Session—**Discussions about the measurement attribute for core deposits
November 4, 2009	**Board Meeting**—Additional decisions on initial measurement of financial instruments.
October 26, 2009	**Joint Board Meeting**—Discussions about presentation alternatives, impairment, and core principles related to the accounting for financial instruments.
October 21, 2009	**Board Meeting**—Decisions regarding a credit impairment model for financial assets measured at fair value with changes in fair value recognized in other comprehensive income.
October 14, 2009	**Board Meeting**—Decisions about recognition and initial measurement of financial instruments.
September 23, 2009	**Board Meeting**—Summary of feedback received through roundtable meetings and U.S. investor outreach and discussions about remeasurement approaches for the valuation of deposits.

September 16, 2009	**Education Session**—Discussions about the valuation of deposits.
September 14, 2009	**Joint FASB/IASB Roundtable**—Discussions about the IASB proposed model and FASB tentative model for accounting for financial instruments.
September 10, 2009	**Joint FASB/IASB Roundtable (London)—**Discussions about the IASB proposed model and FASB tentative model for accounting for financial instruments.
September 3, 2009	**Joint FASB/IASB Roundtable (Tokyo)**—Discussions about the IASB proposed model and FASB tentative model for accounting for financial instruments.
August 19, 2009	**Board Meeting—**Decisions regarding financial instruments within the scope of this project.
August 13, 2009	**Education Session—**Discussions about financial instruments within the scope of this project.
August 13, 2009	**Board Meeting—**Decisions regarding financial statement presentation alternatives for financial instruments.
August 5, 2009	**Education Session—**Discussions about the valuation of deposits and presentation alternatives for financial instruments.
July 29, 2009	**Education Session—**An external subject matter expert educated the Board and staff about the valuation of deposits.
July 24, 2009	**Joint Board Meeting—**Discussions about the tentative FASB model and proposed IASB model for financial instruments, including next steps.
July 15, 2009	**Board Meeting—**Decisions regarding categorization, measurement, and recognition methods of financial instruments
July 13, 2009	**Education Session—**Discussions about the classification and measurement of financial instruments.
July 9, 2009	**Education Session—**Summary of outreach and research performed and discussions about the classification and measurement of financial instruments.
June 24, 2009	**Education Session—**Discussions about amortized cost as a measurement method for financial instruments, various

	impairment models for financial instruments, and initial discussions about classification of financial instruments
June 17, 2009	**Education Session—**Discussions about measurement and presentation alternatives for financial instruments (Fair Value through OCI Dual Presentation Model)
June 3, 2009	**Education Session—**Discussions about the broad application of fair value measurement for financial instruments
May 6, 2009	**Education Session—**Discussions about another potential measurement method for financial instruments (Current Value Measurement Method)
March 24, 2009	**Joint Board Meeting**—Decisions on project objectives and discussion about potential measurement methods and characteristics for categorizing financial instruments
December 15, 2008	**Board Meeting**—Agenda Decision

Board Meetings related only to the Accounting for Hedging Activities project

April 30, 2008	**Board Meeting** – Board discusses final technical issues, effective date, and comment period
December 20, 2007	**Board Meeting** – Board discusses fair value approach to foreign currency hedges and instructs staff to draft an Exposure Draft for vote by written ballot
November 7, 2007	**Board Meeting** – Board discusses fair value approach to cash flow hedge accounting and possible exception to fair value approach for entity's own debt
October 17, 2007	**Board Meeting** – Board discusses fair value approach to fair value hedge accounting
May 23, 2007	**Board Meeting** – Board adds hedging project to the agenda
January 31, 2007	**Board Meeting** – Board instructs staff to research accounting for hedging activities

Background Information

At their joint meetings in April and October 2005, the FASB and the IASB discussed the future of reporting for financial instruments. The Boards established three long-term objectives to improve and simplify the reporting for financial instruments:

1. Develop a new standard for the derecognition of financial instruments
2. Require all financial instruments to be measured at fair value with realized and unrealized gains and losses recognized in the period in which they occur
3. Simplify or eliminate the need for special hedge accounting requirements.

In March 2006, the Boards further clarified their intentions to work together to improve and converge financial reporting standards by issuing a Memorandum of Understanding (MoU), *A Roadmap for Convergence between IFRSs and US GAAP—2006 – 2008*. As part of the MoU, the Boards worked jointly on a research project to reduce the complexity of the accounting for financial instruments. This joint effort resulted in the IASB's issuance of the March 2008 Discussion Paper, *Reducing Complexity in Reporting Financial Instruments*, which the FASB also published for comment by its constituents. Focusing on the measurement of financial instruments and hedge accounting, the Discussion Paper identified several possible approaches for improving and simplifying the accounting for financial instruments.

In addition, the FASB was asked to address numerous issues on many aspects of hedge accounting. As a result, at its January 31, 2007 meeting, the Board directed the staff to research (a) issues causing difficulties in the application of hedge accounting and (b) potential approaches to accounting for hedging activities.

Based on that research, the staff identified seven issues that cause significant difficulties in hedge accounting:

1. Strict documentation requirements
2. Lack of clarity regarding when dedesignation and redesignation is necessary
3. Which hedged items or hedged transactions could be included in a group
4. How effectiveness should be assessed and what should be included in effectiveness testing
5. How cash flows and different aspects of the discount rate should be incorporated into the measurement of a hedged item to determine the change in value attributable to an individual hedged risk
6. How ineffectiveness should be measured in a cash flow hedge and what features should be included in a perfect hypothetical derivative
7. What the consequences should be for failing to meet the criteria for hedge accounting

The FASB issued an Exposure Draft, *Accounting for Hedging Activities*, on June 6, 2008 to address the issues identified.

At the October 2008 joint FASB/IASB meeting, the FASB and IASB staffs presented summaries of the comments received on both the Discussion Paper on reducing complexity and the Exposure Draft on hedging.

A majority of respondents to the Discussion Paper supported a significant change in the current requirements for reporting financial instruments. In addition, many of the user respondents expressed support for the Boards' working together on a project to simplify the accounting for hedging activities, provided that the simplification would reduce the complexity of financial statement interpretation.

A majority of respondents to the Exposure Draft were concerned that many of the proposed amendments would create further divergence between hedge accounting under U.S. GAAP and under IFRS; many of these respondents urged the Boards to work together on a joint project to improve hedge accounting, noting that the FASB's hedge accounting project could be incorporated into the Boards' research projects on reducing complexity.

At the joint meeting in October 2008, the FASB and IASB decided to create an advisory group that comprises senior leaders with broad international experience in financial markets. The **Financial Crisis Advisory Group (FCAG)** was asked to identify any accounting issues that require the Boards' urgent and immediate attention as well as issues for longer-term consideration. On July 28, 2009, the FCAG issued their **Final Report**.

The Boards also organized three round tables in 2008 – one each in London (November 14, 2008), Norwalk (November 25, 2008), and Tokyo (December 3, 2008). The purpose of these round tables was to (a) allow members of the Boards to hear input from a wide range of stakeholders, including users, prepares, and auditors of financial statements, regulators, and others; and (b) help the Boards identify accounting issues that may require their urgent and immediate attention to improve financial reporting and help enhance investor confidence in financial markets.

Participants in the round tables made general comments about the importance of (a) working toward convergence between IFRS and U.S. GAAP and (b) allowing sufficient due process before the IASB or the FASB make any changes to current accounting guidance. Participants raised the following issues at the round tables: (a) impairment, (b) fair value option, (c) fair value measurement, (d) clarification of the interaction of conflicting accounting standards, and (e) clarification for investments in collateralized debt obligations.

In addition to considering the potential for short-term responses to the credit crisis, both Boards emphasized their commitment to developing common solutions aimed at providing greater transparency and reducing complexity in the accounting of financial instruments. As starting points for this longer term objective, the Boards considered the comments received in response to the Discussion Paper on reducing complexity and the Exposure Draft on hedging, the deliberations of the Financial Crisis Advisory Group advisory group, input received at the 2008 round tables, and input received from the IASB Financial Instruments Working Group.

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Project Update

Leases—Joint Project of the IASB and FASB

Last Updated: February 19, 2010 (Updated sections are indicated with an asterisk *)

This project update summarizes the project activities and decisions of the IASB and the FASB (Boards). It was prepared by the staff and is for the information and convenience of their constituents. All decisions of the Boards are tentative, may change at future Board meetings, and do not change current accounting and reporting requirements. Decisions of the Boards become final only after extensive due process.

Project Objective

The objective is to create common lease accounting requirements to ensure that the assets and liabilities arising from lease contracts are recognized in the statement of financial position.

Due Process Documents

On March 19, 2009, the Boards published a Discussion Paper, *Leases: Preliminary Views*, for public comment.

Download the FASB Discussion Paper. **Download** the IASB Discussion Paper, which is the same except for minor differences in spelling, style, and format.

Read the **press release** introducing the Discussion Paper.

Read a **snapshot** of the Boards' preliminary views in the Discussion Paper.

The comment period for the Discussion Paper ended on July 17, 2009.

Comment Letters

Comment Letter Summary

The Boards plan to publish an Exposure Draft in 2010.

*Decisions Reached at the Last Meeting (February 17-18 2010)

The Boards discussed the following issues:

1. How to account for changes in contingent rentals
2. How to determine when contracts are purchases or sales of the underlying asset in the context of a lease contract
3. The definition of initial direct costs
4. Transition provisions for the proposed new requirements for lessees
5. The definition of the interest rate implicit in the lease.

Accounting for changes in contingent rentals

For lessees, the Boards tentatively decided that:

1. Changes in amounts payable under contingent rental arrangements arising from current or prior periods should be recognized in profit or loss. All other changes should be recognized as an adjustment to the lessee's right-of-use asset.
2. Changes in amounts payable under residual value guarantees should be recognized in the same way as contingent rental arrangements.

For lessors, the Boards tentatively decided that changes in amounts payable under contingent rental arrangements should be treated as adjustments to the original transaction price and should be allocated to the lessor's performance obligation. If a change is allocated to a satisfied performance obligation, the change would be recognized in revenue. If a change is allocated to an unsatisfied performance obligation, the carrying amount of the lessor's performance obligation would be adjusted. The Boards instructed the staff to provide additional analysis on when a lessor's performance obligation is satisfied in a lease contract.

Scope—purchases or sales of the underlying asset

The Boards tentatively decided that contracts that are purchases or sales of the underlying asset are not lease contracts and should not be accounted for in accordance with the proposed new leases requirements.

The Boards also tentatively decided that the proposed new leases requirements should clarify that a contract is a purchase or sale if at the end of the contract the contract transfers:

1. Control of the underlying asset
2. All but a trivial amount of the risks and benefits associated with the underlying asset.

The Boards tentatively decided that control of the underlying asset has generally been transferred/obtained in the following situations:

1. Contracts in which the title of the underlying asset transfers to the lessee automatically
2. Contracts that include a bargain purchase option if it is reasonably certain that the option will be exercised
3. Contracts in which the return that the lessor receives is fixed

4. Contracts in which it is reasonably certain that the contract will cover the expected useful life of the asset and any risks or benefits associated with the underlying asset retained by the lessor at the end of the contract are not expected to be more than trivial.

The Boards tentatively decided that very long leases of land would not be considered purchases or sales. However, the Boards instructed the staff to develop possible criteria for excluding very long leases of land from the scope of the proposed new leases requirements.

Definition of initial direct costs

The Boards tentatively decided to:

1. Define initial direct costs as incremental costs directly attributable to negotiating and arranging a lease
2. Include additional guidance in the proposed new leases requirements to illustrate which costs could be considered initial direct costs.

Transition provisions for the proposed new requirements for lessees

At their meetings in June 2009, the Boards tentatively decided to require the lessee to recognize and measure an obligation to pay rentals and a right-of-use asset for all outstanding leases as of the date of initial application of the proposed new leases requirements.

The obligation to pay rentals would be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on the transition date. The right-of-use asset would be measured on the same basis as the liability, subject to any adjustments required to reflect impairment.

At this meeting, the Boards tentatively decided that:

1. Lessees should apply the proposed transition requirements to leases currently accounted for as finance/capital leases except for simple finance/capital leases.
2. For simple finance/capital leases that do not have options, contingent rentals, and/or residual value guarantees, the measurement of the assets and liabilities would not be changed on transition or subsequently.
3. For International Financial Reporting Standards (IFRS) preparers, the revalued amount of property, plant, and equipment would be carried forward as the carrying amount of the asset for simple finance/capital leases.
4. Additional adjustments for prepaid or accrued rentals should be made when lease payments are uneven over the lease term.

Definition of the interest rate implicit in the lease

The Boards tentatively decided that the rate the lessor uses to discount lease payments should be the rate that the lessor is charging the lessee. That rate would take into account the nature of the transaction as well as the specific terms of the lease (rental payments, lease term, contingent rentals, etc.). The Boards also tentatively decided to include guidance in the proposed new leases requirements on how to determine the discount rate to be used in different circumstances.

***Summary of Tentative Decisions Reached to Date (As of February 18, 2010)**

Definition of a Lease

The Boards have tentatively decided on the following proposed definition of a lease:

> A lease is a contract in which the right to use a specified asset is conveyed, for a period of time, in exchange for consideration.

While the definition is not limited to property, plant, and equipment, the proposed new leases requirements do not apply to assets other than property, plant, and equipment.

The Boards also have decided that the right to use an asset is conveyed if the contract conveys the right to use a specified asset and the contract conveys the right to control the use of the underlying asset.

Further guidance will be developed on what constitutes a specified asset. Current leases guidance on when a lease conveys the right to control the use of the underlying asset will be carried forward, but will be rewritten to help clarify its meaning.

Scope

The following will be excluded from the scope of the proposed new leases guidance:

1. Leases of intangible assets
2. Leases to explore for or use natural resources, such as minerals, oil, and natural gas
3. Leases of biological assets
4. Contracts that represent the purchase (lessee) or sale (lessor) of the underlying asset. A contract is a purchase or a sale if at the end of the contract, the contract transfers:
   (a) Control of the underlying asset
   (b) All but a trivial amount of the risks and benefits associated with the underlying asset

Control of the underlying asset has generally been transferred/obtained in the following situations:

1. Contracts in which the title of the underlying asset transfers to the lessee automatically
2. Contracts that include a bargain purchase option if it is reasonably certain that the options will be exercised
3. Contracts in which the return that the lessor receives is fixed
4. Contracts in which it is reasonably certain that the contract will cover the expected useful life of the asset and any risks or benefits associated with the underlying asset retained by the lessor at the end of the contract are expected to be not more than trivial.

The Boards tentatively decided that very long leases of land would not be considered purchases or sales. However, the Boards instructed the staff to develop possible criteria for excluding very long leases of land from the scope of the proposed new leases requirements.

The Boards discussed whether to provide a scope exclusion for short-term leases and tentatively decided to permit lessees to use a simplified form of lease accounting for those leases that have a maximum possible lease term of less than 12 months. Under that simplified accounting, lessees would recognize gross amounts payable and a corresponding right-of-use asset in the statement of financial position. The Boards tentatively decided that lessors would also have the option to use the simplified accounting for short-term leases.

The Boards tentatively decided not to provide a scope exclusion for leases of non-core assets.

Timing of initial recognition

Assets and liabilities arise when a contract is signed. Between contract signing and delivery, the unit of account is the contract as a whole, and the contract position would be presented net in the statement of financial position of both the lessee and the lessor.

An entity would initially and subsequently measure the net contract asset or liability on a cost basis, subject to impairment. (Generally, initial measurement of the contract asset would equal the initial measurement of the contract liability.)

An entity would provide disclosures about the assets and liabilities that would arise upon contract signing.

Sale and leaseback transactions

In a sale and leaseback transaction, a seller/lessee would consider whether the entire leased asset qualifies for derecognition. If the entity determines that the transaction qualifies as a sale after applying the applicable guidance for the underlying asset, it would derecognize the leased item and recognize a right-of-use asset and an obligation to make rental payments for the leaseback. The Boards will consider whether additional criteria are needed to help entities determine whether a sale and leaseback transaction represents a sale and how to account for a sale and leaseback transaction when the sales prices or rental payments are not at market rates.

Contingent rentals and residual value guarantees

The obligation to pay rentals recognized by the lessee and the receivable recognized by the lessor would include amounts payable under contingent rental arrangements. A lessor would only recognize a receivable for amounts due under contingent rental arrangements if the receivable could be measured reliably. The obligation/receivable would be measured using an expected outcome technique. The final requirements would clarify that not every possible scenario would need to be taken into account when measuring the obligation/receivable.

Contingent rentals based on an index or rate would be measured using readily available forward rates. If forward rates are not available, the rates at the inception of the lease would be used.

The carrying amount of the obligation/receivable would be reassessed at each reporting date if any new facts or circumstances indicate that there is a material change in the obligation/receivable.

The discount rate (for both lessees and lessors) would not be revised when there are subsequent changes in the amounts payable under contingent rentals unless the rentals are contingent on variable reference interest rates.

For lessees, changes in amounts payable under contingent rental arrangements arising from current or prior periods should be recognized in profit or loss. All other changes should be recognized as an adjustment to the lessee's right-of-use asset.

For lessors, changes in amounts payable under contingent rental arrangements should be treated as adjustments to the original transaction price and be allocated to the lessor's performance obligation. If a change is allocated to a satisfied performance obligation, the change would be recognized in revenue. If a change is allocated to an unsatisfied performance obligation, the carrying amount of the lessor's performance obligation would be adjusted. The staff will provide additional analysis on when a lessor's performance obligation is satisfied in a lease contract.

Residual value guarantees for lessees would be accounted for in the same way as contingent rental arrangements.

Definition of initial direct costs

Initial direct costs are incremental costs directly attributable to negotiating and arranging a lease. The proposed new leases requirements will include additional guidance to illustrate which costs could be considered initial direct costs.

Definition of the interest rate implicit in the lease

The Boards tentatively decided that the rate the lessor uses to discount lease payments should be the rate that the lessor is charging the lessee. That rate would take into account the nature of the transaction as well as the specific terms of the lease (rental payments, lease term, contingent rentals, etc.). The Boards also tentatively decided to include guidance in the proposed new leases requirements on how to determine the discount rate to be used in different circumstances.

<u>Lessor Accounting</u>

Performance obligation approach

The Boards decided to adopt the performance obligation approach to lessor accounting. Under that approach, a lessor would recognize:

1. An asset representing its right to receive rental payments from the lessee (a lease receivable)
2. A liability representing its performance obligation under the lease—that is, its obligation to permit the lessee to use one of its assets (the leased item). The lessor would satisfy that performance obligation (and would recognize revenue) over the lease term.

Initial measurement of the lessor's receivable and the lessor's performance obligation

Initial measurement of the lessor's right to receive rental payments would be at the present value of the lease payments discounted using the rate the lessor is charging the lessee plus any initial direct costs incurred by the lessor.

Initial measurement of the lessor's performance obligation would be at the transaction price (that is, the customer consideration, which will be measured at the present value of the lease payments discounted using the rate the lessor is charging the lessee).

Subsequent measurement of the lessor's receivable and the performance obligation

Subsequent measurement of the lessor's receivable would be at amortized cost using the effective interest method.

Subsequent measurement of the lessor's performance obligation would reflect decreases in the obligation to permit the lessee to use the leased item over the lease term.

Lease contracts with options to extend or terminate the lease

The Boards made the following decisions regarding lease contracts that grant the lessee the right to extend or terminate the lease:

1. The accounting by lessors for those options would be symmetrical with the accounting by lessees for those options. However, the Boards noted that the objective of symmetry might not result in the same measurement of lease payments by the lessee and the lessor.
2. A lessor's receivable and performance obligation should be recognized based on the lease payments that would be received over the lease term. The recognized leased term would be the longest possible lease term that is more likely than not to occur.
3. The lease term would be reassessed at each reporting date. Detailed examination of every lease would not be required unless there is a change in facts or circumstances that would indicate that the lease term may need to be revised.
4. Any change to the lease receivable resulting from a reassessment of the lease term would be recorded as an adjustment to the performance obligation.

5. The lessor's discount rate would not be revised when there are subsequent changes in the expected lease term.

Investment properties

The Boards tentatively decided that if a lessor of investment properties measures its investment properties at cost, it would apply the proposed new lessor accounting requirements to the lease.

The IASB tentatively decided that if a lessor of investment properties measures its investment properties at fair value in accordance with IAS 40, Investment Property, it would not apply the proposed new lessor accounting requirements to the lease.

Because the FASB does not have an option to measure investment properties at fair value, the Boards instructed the staff to prepare an agenda request discussing whether to permit or require investment properties to be carried at fair value under U.S. generally accepted accounting principles (GAAP).

<u>Lessee Accounting</u>

Right-of-use approach

The Boards reaffirmed the right-of-use approach for lessees, which is described in the Discussion Paper. The Discussion Paper states that, for all leases, a lessee should recognize an asset representing its right to use the leased item for the lease term (the right-of-use asset) and a liability for its obligation to pay rentals.

Initial measurement of the right-of-use asset and lease obligation

Initial measurement of the lessee's right-of-use asset would be at cost in which cost is the present value of the lease payments plus any initial direct costs incurred by the lessee.

Initial measurement of the lessee's obligation to pay rentals would be at the present value of the lease payments discounted using the lessee's incremental borrowing rate. The Boards noted that the interest rate implicit in the lease will often equal the incremental borrowing rate. Consequently, the Boards tentatively decided that the interest rate implicit in the lease can be used if it can be readily determinable.

Subsequent measurement of the right-of-use asset and lease obligation

Subsequent measurement of the lessee's right-of-use asset would be at amortized cost and would be described as amortization rather than as rental expense.

Subsequent measurement of the lessee's obligation to pay rentals would be at amortized cost using the effective interest method. The obligation arising in a simple lease would not be revised for any changes in the lessee's incremental borrowing rate. The lessee's discount rate would not be revised when there are subsequent changes in the expected lease term. Subsequent measurement of the obligation at fair value is not permitted.

Impairment of the right-of-use asset

The lessee's right-of-use asset would be considered for impairment by referring to existing applicable standards for impairment. A lessee preparing financial statements in accordance with IFRS would follow IAS 36, *Impairment of Assets*. A lessee applying U.S. GAAP would follow the guidance on accounting for intangibles in Topic 350 of the *FASB Accounting Standards Codification*™.

Revaluation of the right-of-use asset

IFRS preparers would be permitted to revalue their right-of-use assets using the revaluation model in IAS 38, *Intangible Assets.* U.S. GAAP preparers would not be permitted to revalue their right-of-use assets unless required to do so to recognize an impairment loss.

Lease contracts with options to extend or terminate the lease

The Boards made the following decisions regarding lease contracts that grant the lessee the right to extend or terminate the lease:

1. Uncertainty about the lease term would be addressed through recognition; that is, one of the possible lease terms is selected and the accounting is based on that term.
2. The recognized lease term would be the longest possible lease term that is more likely than not to occur.
3. In determining the lease term, the lessee would consider all relevant factors.
4. Options to renew a lease that are priced at market value at the date of renewal would be considered when determining the lease term.
5. The lease term would be reassessed at each reporting date. Detailed examination of every lease would not be required unless there is a change in facts or circumstances that indicates that the lease term may need to be revised.
6. Any change to the obligation to pay rentals resulting from a reassessment of the lease term would be recorded as an adjustment to the right-of-use asset.
7. The lessee's discount rate should not be revised when there are subsequent changes in the expected lease term.

Transition

A lessee would apply the proposed new leases requirements by recognizing and measuring an obligation to pay rentals and a right-of-use asset for all outstanding leases as of the date of initial application of the proposed new leases guidance, except for simple leases that are currently classified as capital/finance leases (see the following paragraph). The obligation to pay rentals would be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on the transition date. The right-of-use asset would be measured on the same basis as the liability, subject to any adjustments required to reflect impairment.

For simple leases (leases that do not have options, contingent rentals, and/or residual value guarantees) that are currently classified by lessees as capital/finance leases, the measurement of the assets and liabilities would not be changed on transition or subsequently. For IFRS preparers, the revalued amount of property, plant, and equipment could be carried forward as the carrying amount of the asset for simple finance/capital leases. Additional adjustments for prepaid or accrued rentals should be made when lease payments are uneven over the lease term.

See also decisions reached within the **FASB Discussion Paper**.

Next Steps

The Boards will continue discussing lessee and lessor accounting issues at future meetings.

***Board/Other Public Meeting Dates (after the issuance of the Discussion Paper)**

The IASB meeting summaries and FASB meeting minutes are provided for the information and convenience of constituents who want to follow the Boards' 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 a final Accounting Standards Update.

(View list of meetings prior to the issuance of the Discussion Paper)

Topic	IASB Meeting Summaries and Observer Notes	FASB Board Minutes
***Joint IASB/FASB Board Meeting (via videoconference)—**Accounting for Changes in Contingent Rentals, Purchases or Sales of the Underlying Asset, Initial Direct Costs, Lessee Transition, Definition of the Interest Rate Implicit in the Lease	**February 2010**	**February 17-18, 2010**
***Joint IASB/FASB Board Meeting (via videoconference)—**Definition of a Lease	**February 2010**	**February 2, 2010**
***Joint IASB/FASB Board Meeting—**Subsequent Measurement of Leases with Options and Contingent Rentals under Amortized Cost, Scope: Exclusion of Short-Term Leases, Lessor Accounting: Investment Properties	**January 2010**	**January 20, 2010**
***Joint IASB/FASB Board Meeting (via**	**January 2010**	**January 5, 2010**

videoconference)—Scope: Purchases and Sales		
***Joint IASB/FASB Board Meeting**—Lessee Accounting: Contingent Rentals, Lessor Accounting: Contingent Rentals, Scope: Intangibles, Scope: Non-Core and Short-Term Leases	**December 2009**	**December 16, 2009**
Joint IASB/FASB Board Meeting—Lessee Accounting: Initial and Subsequent Measurement, Lessor Accounting: Initial and Subsequent Measurement, Lessee Term Options, and Lessor Term Options	**November 2009**	**November 18, 2009**
Joint IASB/FASB Board Meeting—Reconfirmation of the Right-of-Use Approach for Lessees, In-Substance Purchases/Sales, Lessor Accounting Models, Timing of Initial Recognition	**October 2009**	**October 28, 2009**
IASB/FASB Board Meeting—Comment Letter Analysis and Plan for Redeliberations	**September 2009**	**September 16, 2009**
Joint Working Group Meeting (London)	**September 2009**	
Joint IASB/FASB Board Meeting—Lessor: Measurement and Presentation of the Lessor's Receivable and Performance Obligation	**July 2009**	**July 23, 2009**
IASB/FASB Board Meeting—Lessee: Sale and Leaseback Transactions, Impairment of Right-of-use Asset, Revaluation of Right-of-use Asset, Initial Direct Costs, and Transition	**June 2009**	**June 17, 2009**
IASB/FASB Board Meeting—Lessor Accounting under the Right-of-Use Model	**May 2009**	**May 18, 2009**
Joint IASB/FASB Board Meeting (via videoconference)—How to Proceed with a Joint Leases Discussion Paper	**January 2009**	**January 22, 2009**
IASB/FASB Board Meeting—Project Scope, An Overview of Lessor Accounting, and Consideration of Sublessor Accounting	**January 2009**	**January 14, 2009**

Joint International Working Group

The following table provides links to the IASB website for the leases working group meetings. The first column provides the date and location of the working group meeting with a link to the full meeting agenda, agenda papers, and the audio webcast of the meeting. The second column provides a link to the summary report of the working group meeting.

Date/Location/Materials	Summary Report
September 2009—London	Summary Report September 3, 2009
October 2008—Norwalk	Summary Report October 7, 2008
February 2007— London	Summary Report February 15, 2007

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