

## MINUTES



**To:** FASB Board Members

**From:** Accounting for Financial Instruments Team

**Subject:** January 29, 2014, Board Meeting—  
Accounting for Financial Instruments: Classification and Measurement

**Date:** February 4, 2014

*The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.*

Topic: Accounting for Financial Instruments:  
Classification and Measurement

Basis for Discussion: Memorandum 255

Length of Discussion: 9:15 a.m. to 10:07 a.m. EST

Attendance:

Board members present: Golden, Buck, Smith, Kroeker, Linsmeier, Schroeder, and Siegel

Board members absent: None

Staff in charge of topic: Gupta and Milone

Other staff at Board table: Cospers, Esposito, and Debbink

Outside participants: Feygina

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

The Board met to discuss issues relating to the development of an Accounting Standards Update addressing accounting for financial instruments. The Board issued an Exposure Document in the first quarter of 2013.

**Tentative Board Decisions:**

The Board discussed alternatives to the business model portion of the overall classification and measurement model and decided not to continue to pursue the business model assessment in the proposed Accounting Standards Update, *Financial Instruments—Overall, (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, as clarified by the Board at the November 2013 Joint Board meeting with the IASB.

All Board members were supportive of this decision.

The Board also decided not to pursue an approach that focuses on the business activities that an entity uses in acquiring and managing the financial assets.

Five Board members were supportive of this decision.

The Board directed the staff to conduct further analysis of targeted improvements that can be made to the current U.S. GAAP guidance for classification and measurement of loans and securities. After considering those targeted improvements to the respective models for loans and securities, the Board will consider whether it should align the models or retain two separate models to account for loans and securities.

**General Announcements:** None.