



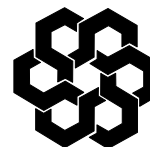
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This document is provided as a convenience to observers at the joint IASB-FASB meeting, to assist them in following the Boards' discussion. It does not represent an official position of the IASB or the FASB. Board positions are set out in Standards (IASB) or Statements or other pronouncements (FASB).

These notes are based on the staff papers prepared for the IASB and FASB.

Paragraph numbers correspond to paragraph numbers used in the joint IASB-FASB papers. However, because these notes are less detailed, some paragraph numbers are not used.

INFORMATION FOR OBSERVERS

IASB/FASB Meeting: 23 October 2007, Norwalk

Project: Derecognition of financial instruments

Subject: Cover Paper (Agenda Paper 6)

Background

1. Since October 2006 the staff have been researching the way forward on derecognising financial instruments in consultation with certain members of the IASB and the FASB.
2. The next milestone for the staff's research is to issue a staff authored research report on derecognising financial instruments by 2008 in order to achieve the target set in the Memorandum of Understanding (MOU). The MOU states that the Boards expect to have issued a due process document relating to the results of staff research efforts on derecognition by 2008.

Objectives of education session

3. The objectives of the education session are
 - a. to report to the Boards how staff research has been conducted, and
 - b. present core staff conclusions on principles for derecognising financial assets measured at fair value.
4. No decisions are required by the Boards.

Separate papers to be discussed

5. Agenda Paper 6A contains the first seven draft chapters of the staff research report that staff aims to complete by 2008. An outline of the points arising from Agenda Paper 6A that staff would like discuss with the Boards is included in Agenda Paper 6B.

{Note to observers: Agenda Paper 6A is not included in Observer Handouts}