

Via Email

January 27, 2011

Technical Director
File Reference No. 1890-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference no. 1890-100

Request for comments on Discussion Paper on Effective Dates and

Transition Methods

We appreciate the Financial Accounting Standards Board's outreach to gain insights regarding the time and effort that will be involved in adopting the new accounting and reporting standards that are the subject of the Discussion Paper. While we are generally supportive of the content and direction of the new standards, the costs of implementation will be high, and we believe these costs should be balanced with the perceived benefits of providing common ground between U.S. GAAP and International Financial Reporting Standards.

In addition to cost considerations, we believe that the magnitude of the changes to U.S. GAAP may have a significant impact on Visa's ability to explain its financial results to investors in a transparent manner. As you will note from our responses, we believe that the transition to these new standards should be undertaken in such a way as to minimize the time and effort required to explain accounting changes and their associated affects to the investing community. We believe that this is best achieved by making a clear delineation, or a "clean break" between the legacy U.S. GAAP standards and the new standards.

Accordingly, we are supportive of a single adoption date for all standards and believe that prospective adoption is most appropriate. Although sacrificing the comparability of prior period financial statements through prospective adoption is not customary, we believe a non-traditional approach to adoption is necessary and appropriate under the circumstances, given the magnitude of these changes to U.S. GAAP.

Question 1: Please describe the entity (or the individual) responding to this Discussion Paper. For example:

- a. Please indicate whether you are primarily a preparer of financial statements, an auditor, or an investor, creditor, or other user of financial statements (such as a regulator). Please also indicate whether you primarily prepare, use, or audit financial information prepared in accordance with U.S. GAAP, IFRSs, or both.
- b. If you are a preparer of financial statements, please describe your primary business or businesses, their size (in terms of the number of employees or other relevant metric), and whether you have securities registered on a securities exchange.
- c. If you are an auditor, please indicate the size of your firm and whether your practice focuses primarily on public companies, private entities, or both.
- d. If you are an investor, creditor, or other user of financial statements, please describe your job function (buy side/sell side/regulator/credit analyst/lending officer), your investment perspective (long, long/short, equity, or fixed income), and the industries or sectors you specialize in, if any.
- e. Please describe the degree to which each of the proposed new standards will likely affect you and the factors driving that effect (for example, preparers of financial statements might explain the frequency or materiality of the transactions to their business and investors might explain the significance of the transactions to the particular industries or sectors they follow).

Visa Inc. ("Visa" or the "Company") is a global payments technology company that enables consumers, businesses, banks and governments around the world to use digital currency via payment processing platforms that include consumer credit, debit, prepaid and commercial payments.

Visa's Class A common stock is traded on the New York Stock Exchange, and our Class B and Class C common stock is unlisted but registered under Section 12(g) of the Securities Exchange Act of 1934. Our consolidated financial statements are prepared in accordance with U.S. GAAP, although we do have subsidiaries domiciled outside of the U.S. that file financial statements for statutory purposes in local GAAP, including variations of IFRS that have been adopted from county to country. None of our subsidiaries has securities that are publicly traded. Visa has annual operating revenue of approximately \$8 billion and approximately 6,800 employees.

Other than the proposed standard on insurance contracts, we anticipate that the proposed standards will have a significant impact on our day-to-day operations and our financial reporting systems.

Q2. Focusing only on those proposals that have been published as Exposure Drafts (accounting for financial instruments, other comprehensive income, revenue recognition, and leases):

- a. How much time will you need to learn about each proposal, appropriately train personnel, plan for, and implement or otherwise adapt to each the new standard?
- b. What are the types of costs you expect to incur in planning for and adapting to the new requirements and what are the primary drivers of those costs? What is the relative significance of each cost component?

We are not in a position to provide meaningful estimates of the time that will be required to implement the new standards, nor are we in a position to provide specifics on estimated costs to adapt to these standards. However, particularly for the revenue recognition standard, we anticipate that the time and effort required to review contracts, educate our employees, make system modifications, and perform other tasks will be substantial. In addition, the costs will be driven largely by the transition methods that are required by the standards. For example, the costs of full retrospective adoption for the revenue recognition standard would be significantly more than the costs associated with prospective adoption. In addition to internal costs, if full retrospective adoption is required for these standards, we expect our implementation costs to be driven to a large degree by the approach taken by our independent auditor. Clearly, if an impact of retrospective adoption is material, there is a cost associated with auditing the restated financial statements. In addition, if retrospective adoption is required but management believes that an impact on prior-period financial statements is not material. independent auditors may still require detailed analyses to support this management assertion. As a result, the efforts by management to support an assertion that retrospective adoption is not material may ultimately be just as costly as if the financial statements had been restated and audited.

Q3. Do you foresee other effects on the broader financial reporting system arising from these new standards? For example, will the new financial reporting requirements conflict with other regulatory or tax reporting requirements? Will they give rise to a need for changes in auditing standards?

We have chosen not to respond to this question as no such assessment has been completed to date.

Q4. In the context of a broad implementation plan covering all the new requirements, do you agree with the transition method as proposed for each project? If not, what changes would you recommend and why? In particular, please explain the primary advantages of your recommended changes and their affect on the cost of adapting to the new reporting requirements.

We believe that all of the standards, with the exception of financial statement presentation, should be adopted prospectively. Although we understand that retrospective application of new standards is customary in order to maintain the comparability of the currently issued financial statements, we believe that prospective adoption is more appropriate based on the following factors:

- As a public company, the financial statements filed in our forms 10-K
 and 10-Q prior to the adoption of the new standards are widely
 available to the public, either in hard copy, on our public website or
 through the SEC's EDGAR website. If the standards were adopted
 retrospectively, we believe it may cause confusion among investors to
 have two versions of financial results for the same period with
 numerous and potentially significant differences.
- As a public company, retrospective application would require us to restate (or evaluate for material impact) five years of selected financial data for purposes of our form 10-K. We believe this would be an onerous undertaking.
- We believe that the historical financial statements issued under legacy U.S. GAAP applicable to Visa at that time were accurate. Retrospective application, and the extent to which it may alter previously reported financial results, calls into question the validity of the financial statements and important financial measures, such as earnings-per-share.
- We believe that prospective adoption will provide for more timely adoption of the new standards. Retrospective application would significantly delay the implementation date(s) for the proposed standards, since adequate time must be provided for preparers to gather and analyze data that will be required to affect the restatement of the financial statements.

Although we are not supportive of retrospective transition methods, management may still choose to make certain non-GAAP disclosures in the Managements' Discussion and Analysis section of a 10-K or 10-Q. Management may choose to provide investors with comparable prior-period financial data in this manner, and thus limit the involvement of our independent auditor and the associated costs. We believe that this approach

would satisfy the needs of financial statement users who wish to see comparable financial information.

Q5. In thinking about an overall implementation plan covering all of the standards that are the subject of this Discussion Paper:

- a. Do you prefer the single date approach or the sequential approach? Why? What are the advantages and disadvantages of your preferred approach? How would your preferred approach minimize the cost of implementation or bring other benefits? Please describe the sources of those benefits (for example, economies of scale, minimizing disruption, or other synergistic benefits).
- b. Under a single date approach, what should the mandatory effective date be and why?
- c. Under the sequential approach, how should the new standards be sequenced (or grouped) and what should the mandatory effective dates for each group be? Please explain the primary factors that drive your recommended adoption sequence, such as the impact of interdependencies among the new standards.
- d. Do you think another approach would be viable and preferable? If so, please describe that approach and its advantages.

We would prefer a single date of adoption for all standards, as long as preparers are provided with adequate time to prepare for the new standards. We believe that this approach is warranted given the following considerations:

- Staggered adoption will require discussions with investors and analysts
 over a number of years to explain the impact of the changes, which will
 distract management from its primary objective of explaining Visa's
 business and operating results. Adoption on a single effective date will
 afford management the opportunity to have one public discussion on
 the impact of accounting changes. In addition, we believe that
 adoption on a single date will result in a more orderly and efficient
 disclosure in Visa's 10-Ks and 10-Qs.
- The single date of adoption establishes a clean break between legacy U.S. GAAP and the new standards. Since an objective of the new standards is to ease the transition to IFRS for U.S. companies, a single adoption date would immediately convey a sense that U.S. GAAP and IFRS are more closely aligned.
- We believe that the single date of adoption will provide synergies for preparers and independent auditors, particularly if full retrospective adoption were to be required, since a single adoption date will limit the number of times that Visa's financial statements would need to be restated.

If, consistent with our preference, the standards are required to be adopted prospectively, we believe that the standards should become effective no sooner than 24 months after issuance. If the standards must be applied retrospectively, we believe that the standards should become effective no sooner than 48 months after issuance.

Q6. Should the Board give companies the option of adopting some or all of the new standards before their mandatory effective date? Why or why not? Which ones? What restrictions, if any, should there be on early adoption (for example, are there related requirements that should be adopted at the same time)?

We believe that early adoption should not be allowed for any of the new standards. This is consistent with our view that there should be a "clean break" from the legacy standards to the new U.S. GAAP. In addition, early adoption may limit the comparability of financial statements from company to company. Early adoption by some entities but not others may unfairly call into question the quality of the financial statements of those that do not early-adopt, since the new standards are presumed to be superior to legacy U.S. GAAP.

Q7. For which standards, if any, should the Board provide particular types of entities a delayed effective date? How long should such a delay be and to which entities should it apply? What would be the primary advantages and disadvantages of the delay to each class of stakeholders (financial statement preparers, financial statement users, and auditors)? Should companies eligible for a delayed effective date have the option of adopting the requirements as of an earlier date?

We do not believe that the complexity of the standards warrants a delayed effective date for entities such as Visa Inc. In addition, conceptually, we would not be supportive of delayed effective dates for certain industries or entities, since it would not be consistent with our view that there should be a "clean break" from legacy U.S. GAAP to the new standards.

Q8. Should the FASB and IASB require the same effective dates and transition methods for their comparable standards? Why or why not?

We believe that the FASB and IASB should require the same effective dates and transition methods. A uniform effective date will immediately convey a sense that U.S. GAAP and IFRS are more closely aligned. In addition, this approach will allow for better comparability of financial statements on a global

basis, and limit time and effort that may be required by management to explain potential differences between companies.

Q9. How does the Foundation's ongoing evaluation of standards setting for private companies affect your views on the questions raised in this Discussion Paper?

Fundamentally, we believe that financial statements of public companies should not be "more correct" than those of a private company, and therefore, we believe that there should be one version of U.S. GAAP, applied equally to both public and private companies. If the issue is the complexity of the standards, this is an indication that U.S. GAAP and IFRS (as applicable to public companies) are too complex.

We appreciate the opportunity to submit our views to you. If you have any questions about our comments, please contact me at (650) 432-8165.

Sincerely,

/s/ James Hoffmeister James Hoffmeister Global Corporate Controller Visa, Inc.