VIA EMAIL
Technical Director
File Reference No. 2015-280
Financial Accounting Standards Board of
The Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft: Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting (the “Proposed Guidance”). Ball Corporation (“Ball,” “the company,” “we” or “our”) is a U.S.-based Fortune 500, multi-national manufacturer of metal packaging products and of aerospace and other technologies and services with sales in 2016 of $9.1 billion and total assets of approximately $16.2 billion, and is publicly traded on the New York Stock Exchange.

We support the Financial Accounting Standards Board’s (“FASB” or the “Board”) objective in its simplification initiative to reduce the cost and complexity of financial reporting while improving or maintaining the usefulness of the information provided to financial statement users. Following are our responses to the questions posed in the exposure draft.

**Question 1:** Do you agree that the amendments in this proposed Update would result in a reduction (or potential reduction) of cost and complexity while maintaining or improving the usefulness of information provided to users of financial statements? If not, why?

Overall, we agree that the proposed changes result in a reduction of cost and complexity as they more closely align nonemployee share-based compensation accounting with employee share-based compensation accounting.

**Question 2:** Should entities be required to measure nonemployee share-based payment transactions by estimating the fair value of the equity instruments they are obligated to issue? If not, why should there be a difference in the measurement objective for employee awards and nonemployee awards, and are there other alternatives that are more appropriate?

We believe that both employee and nonemployee share-based payment transactions should be measured at the fair value of the equity instruments that are to be issued.

**Question 3:** Should the measurement date for equity-classified nonemployee awards be the grant date? If not, why should there be a difference in the measurement date for employee and nonemployee share-based payment awards, and what other alternatives are more appropriate?

We believe that both employee and nonemployee share-based payment awards should use the grant date as the measurement date.

**Question 4:** Should entities be required to use the contractual term of share options and similar instruments issued to nonemployees as an input to the measurement of those share-based payment awards? If not, what other alternatives are more appropriate?
We believe the codified concept of expected term should be used to value employee and nonemployee share-based awards. If a lack of history prevents a reasonable estimate, the “simplified method” or other reasonable methods discussed in SAB Topic 14 should be permitted.

**Question 5:** Should nonemployee share-based payment awards containing performance conditions consider the probability that the performance condition will be met in determining the appropriate period(s) of recognition? If not, why should there be a difference in the accounting for employee and nonemployee share-based payment awards with performance conditions, and what other alternatives are more appropriate?

We believe probability should be assessed in determining the expected settlement of a share-based payment award containing performance conditions. This probability should be reassessed periodically and adjusted accordingly, consistent with the assessment for employee share-based awards with performance conditions.

**Question 6:** Is the application of the classification guidance in Topic 718 to nonemployee share-based payment awards that have vested and for which the nonemployee is no longer providing goods or services appropriate? If not, why should there be a difference in the post vesting classification assessment for employee and nonemployee share-based payment awards?

We agree that the classification guidance in Topic 718 should be applied to both employee and nonemployee share-based payments that have vested even in circumstances where the grantee is no longer providing goods or services.

**Question 7:** Is the application of forfeiture guidance in Topic 718 to nonemployee share-based payment awards appropriate? If not, why should there be a difference in accounting for forfeitures for employee and nonemployee share-based payment awards?

We believe that the forfeiture guidance in Topic 718 should be applied to both employee and nonemployee share-based payments.

**Question 8:** Is the practical expedient for nonpublic entities to substitute calculated values for expected volatilities when measuring share options and similar instruments issued to nonemployees appropriate? If not, why should there be a difference in the application of practical expedients for employee and nonemployee share-based payment awards?

In general, we believe that accounting guidance should be applicable to both public and nonpublic entities. However, we understand that expected volatilities can be difficult to determine for companies whose equity instruments are not publicly traded.

**Question 9:** Should nonpublic entities be allowed to make a one-time election to switch from measuring liability-classified nonemployee share-based payment awards at fair value to intrinsic value? If not, why should there be a difference in accounting policy elections for employee and nonemployee share-based payment awards?

We believe that accounting guidance should be consistently applied by both public and nonpublic entities. We also agree that treatment should be consistent for employee and nonemployee share-based payment awards.

**Question 10:** Are the transition requirements for the proposed amendments appropriate? If not, what transition approach is more appropriate?

In general, we believe the transition requirements are appropriate; however, we also consider a prospective transition approach acceptable. Additionally, a practical expedient should be available for estimating the fair value of share-based awards issued in previous periods.
Question 11: Should the Board require an entity to adjust the basis of an asset that includes share-based payment costs when applying the transition requirements? If not, what transition approach is more appropriate?

Considering the potential difficulty in determining the fair value of share-based awards issued in previous periods, we believe the Board should provide the option to adjust the basis of an asset that includes share-based payment costs but should not require it.

Question 12: Should the Board require separate disclosures for nonemployee share-based payment transactions?

We believe separately disclosing employee and nonemployee share-based payment transactions could be useful to investors if material. Most investors assume share-based payment awards are for employees; knowing how much relates to nonemployees could be important given this assumption and therefore any material amounts associated with nonemployee share-based payments should be separately disclosed.

Question 13: How much time will be necessary to adopt the proposed amendments? Should the amount of time needed to apply the proposed amendments by entities other than public entities be different from the amount of time needed by public entities?

We do not issue nonemployee share-based payment awards. As such, we will defer to other companies’ opinions on this point. As for different transition timing for public vs nonpublic entities, we maintain our view that there should be no differences.

We appreciate your consideration of our comments, please contacts us if you have any further questions regarding our comments on the Proposed Guidance.

Sincerely,

Shawn M. Barker  
Vice President and Controller