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Dear Chairmen:

Fiat Chrysler Automobiles N.V. ("FCA") has actively worked with the IASB and the FASB, (collectively, the "Boards") throughout the development of IFRS 15 and ASC 606 – Revenue from contracts with customers (the "Standards"). We strongly support the efforts of the Boards to establish and maintain converged principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenues and cash flows arising from an entity’s contracts with customers.

There have been several updates since the Boards issued their respective Standards, which we believe have substantially retained convergence – with the exception of the recent proposed accounting standard update by the FASB regarding the treatment of shipping and handling activities. The purpose of this letter is to express our concern regarding this potential divergence in the Standards should the IASB not make a similar change to IFRS 15. Given convergence between IFRS and U.S. GAAP was one of the primary reasons for the project that resulted in the issuance of the Standard, we strongly urge the IASB and FASB to work together to avoid divergence.

FCA is one of the largest automakers in the world with operations in approximately 40 countries. We sell our vehicles directly or through distributors and dealers in more than 150 countries. We design, engineer, manufacture, distribute and sell vehicles for the mass market under the Abarth, Alfa Romeo, Chrysler, Dodge, Fiat, Fiat Professional, Jeep, Lancia and Ram brands and the SRT performance vehicle designation. In addition, we design, engineer, manufacture, distribute and sell luxury vehicles under the Ferrari and Maserati brands. We also operate in the automotive components and production systems sectors under the Magneti Marelli, Teksid and Comau brands.

As a public company listed on both the New York Stock Exchange ("NYSE") and the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A, we report under International Financial Reporting Standards ("IFRS"). Additionally, our 100 percent owned subsidiary FCA US LLC (formerly known as Chrysler Group LLC), a U.S. domiciled entity that has senior secured notes registered with the U.S. Securities and Exchange Commission,
reports in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). Lastly, given our global operations, we have legal entities around the world that prepare statutory financial statements in accordance with IFRS or local accounting principles based on IFRS.

We assemble and ship over 4.5 million vehicles annually. In order to ensure delivery of our products to our customers, vehicle dealers, in an orderly and efficient manner, it is critical that we coordinate various shipping and handling activities to deliver vehicles to our customer’s location. The nature and extent of these activities differs from country to country; however, the service is generally rendered after control of the vehicle transfers. Typically, control of the vehicle transfers to the customer once the shipment process begins, either from our in-country assembly plants or our distribution centers located near the port of importation (FOB Shipping Point). FCA arranges the shipping process, usually invoices the customer (as part of the vehicle sale invoice) an amount for shipping that generally matches the shipping costs for the transaction and lists the customer as the beneficiary in the shipping insurance. Without the availability of a policy election, FCA must determine whether it is a principal or agent in each shipping arrangement. If FCA is an agent in providing the shipping service, FCA would be required to determine the total cost of these shipping activities (which range from approximately $500 to $1,000 per vehicle sale) and reduce revenue by that total amount. If FCA is a principal in providing the shipping service, FCA would be required to determine the length of time over which the shipping obligation is fulfilled, as well as a stand-alone selling price for the shipping service, in order to determine an allocated transaction price and recognize it over that period. By contrast, applying the U.S. GAAP policy election would simply result in shipping costs increasing cost of sales at the time control of the vehicle transfers, consistent with current and industry practice.

The alignment of the Standards between U.S. GAAP and IFRS has been an important cornerstone since the inception of this project. As noted above, we believe that convergence exists in all significant respects, with the exception of shipping and handling. Our peer group is composed of automakers reporting under U.S. GAAP as well as IFRS. We anticipate that our U.S. GAAP peer group will elect under ASC 606 that such arrangements be accounted for as fulfillment costs as this is reflective of how companies tend to view the shipping activity and in order to avoid the cost and operational complexity that would be otherwise required under the Standards. With this divergence, the comparability of revenue, which is a key performance indicator across U.S. GAAP and IFRS, will be diminished. Revenues are a key metric, and it is critical that investors and other users of the financial statements are able to easily compare this metric for companies under either basis of accounting, as originally anticipated by the Boards. We encourage the IASB and FASB to continue to work together to avoid creating divergence on this important standard. It would be unfortunate for further divergence to occur prior to the effective date of the standard on which the Boards worked collaboratively on for over a decade.

If this divergence were to occur, we would be required to either report different revenue results under U.S. GAAP and IFRS incurring significant cost and operational complexity, or apply the IFRS 15 concepts of shipping and handling costs for both our IFRS and U.S. GAAP reporting, thereby reducing comparability of our revenues to our U.S. GAAP reporting peers in order to maintain comparability between the GAAPs under which we are required to report.

We agree with the amendments to ASC 606, which permit treating these costs as contract fulfillment costs as this is consistent with how we consider these costs from a management and
operational perspective. We also believe this treatment is more manageable from a financial reporting standpoint and question the cost benefit of potentially treating shipping as a separate performance obligation if control of the primary assets under the revenue contract has already passed to the customer. However, we believe maintaining convergence between the Standards is of greatest importance and we strongly urge the IASB and FASB to continue to work together on this objective.

As such, we believe one of four alternatives is necessary:

Alternative 1 is to create an exception to the revenue recognition model under IFRS 15 such that shipping and handling activities that occur after the transfer of control is a fulfillment activity. While this results in an exception to the model, it ensures comparability between all IFRS issuers since it is not a policy election. It also would result in greater comparability with U.S. GAAP, as we anticipate most U.S. GAAP issuers, outside of industries with specialty shipping arrangements, will apply the policy election.

Alternative 2 is to clearly note that the IASB does not intend to create a difference with U.S. GAAP. This clarification would be similar to the IASB’s clarification in the Exposure Draft’s Basis for Conclusions as it relates to promised goods or services.

Alternative 3 is to include a policy election in IFRS 15 consistent with FASB’s proposed amendment to ASC 606. While it is possible that some entities with significant shipping operations could make different policy elections (as noted by the IASB in BC24 of the July 2015 Exposure Draft), we believe the absence of this election in IFRS 15 in fact decreases comparability for users of U.S. GAAP and IFRS financial statements, as the Standards will no longer be aligned in this respect.

Alternative 4 is to remove the policy election under U.S. GAAP. While we believe the policy election is reasonable and that the costs to account for shipping and handling as separate performance obligations outweigh the benefits, removing the election restores comparability between U.S. GAAP and IFRS.

We believe Alternative 3 is the best solution, as it best aligns ASC 606 with IFRS 15 and achieves the ultimate objective of the Standards remaining converged.

We appreciate your thoughtful consideration of this important issue and would be happy to discuss our views with the IASB and the FASB at your convenience.

Very truly yours,

/s/ Bonnie S. Van Etten /s/ Jon Nelson

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