VISA

August 10, 2015

Technical Director
File Reference No. 2015-270
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2015-270

Request for comments on Exposure Draft of Proposed Accounting Standards Update on Compensation – Stock Compensation (Topic 718), or “the proposed update”

Visa Inc. is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world’s most advanced processing networks which facilitates authorization, clearing and settlement of payment transactions worldwide.

We appreciate the opportunity to comment on the proposed update. Our responses to the questions posed in the exposure draft are provided below.

Question 1: Do you agree that the proposed amendments 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?

Our response to this question is discussed below under each respective proposed update.

Question 2: Should excess tax benefits and tax deficiencies be recognized in the income statement? If not, why, and are there other alternatives that are more appropriate? Should an entity delay recognition of an excess tax benefit until the benefit is realized through a reduction to taxes payable? If yes, why?

We do not agree with the FASB’s proposal to recognize the excess tax benefits and tax deficiencies in the income statement. Although this proposal may reduce complexity for some entities in tracking the ‘windfall pool’ recorded in Additional-Paid-in Capital, we believe this proposal would increase the volatility of income tax expense and effective tax rates, and potentially earnings per share. In our view, net income that is affected by the market value fluctuation of the company’s stock provides a distortive view of the company’s financial results and does not clearly reflect the operations of the company. Therefore, we believe the tax impact of stock-based compensation, other than the tax impact based on grant-date fair value, should be accounted for as an equity transaction in the financial statements, and not as an employee compensation transaction.

We do not have an opinion on the second part of Question 2.

Question 3: Should the effect on tax cash flows related to excess tax benefits be classified as an operating activity on the statement of cash flows? If not, what classification is more appropriate and why?

Yes. We support the FASB's proposal to classify excess tax benefits as an operating activity on the statement of cash flows to be consistent with other cash flows related to income taxes. We believe this would streamline the current accounting practice.

Question 4: Should entities be permitted to make an accounting policy election either to account for forfeitures when they occur or to estimate forfeitures? If not, why?

Yes. We support the FASB's proposal allowing entities to make an accounting policy election to account for forfeitures upon occurrence or to estimate forfeitures. Under either approach, the ultimate compensation cost recognized would be the same since compensation cost is adjusted to actual awards that vest (there is merely a difference in the timing of recognition). We believe that the proposal would simplify and potentially reduce entities' administrative burden of estimating forfeitures as it could be complex and costly for entities that lack historical experience in developing an estimate. The cost of estimating forfeitures and subsequently adjusting the estimates may exceed the benefit that this information provides to users of financial statements.

Question 5: Is the proposed expansion of the exception to liability classification related to the amount withheld for employee's taxes appropriate? If not, is there another exception that is more appropriate and why?

Yes. We believe the proposed change would be beneficial by effectively allowing an entity to repurchase more shares than it can today by raising the threshold without triggering complex liability classification. However, the amendment is not clear as to whether the proposed new threshold, '*employee's maximum individual statutory tax rate in the applicable jurisdiction,'* would be determined on an individual employee basis, rather than only one maximum rate similar to the current standard. We believe it would defeat the purpose of simplifying the accounting requirements if the threshold had to be applied on an individual employee basis, as it could be administratively burdensome.

Question 6: Should the cash paid by an employer to the taxing authorities when directly withholding shares for tax-withholding purposes be classified as a financing activity on the statement of cash flows? If not, what classification is more appropriate and why?

Yes. We believe cash paid by an employer for shares withheld for employee's tax withholding purposes, is akin to a repurchase of an entity's equity instruments. Thus, the cash outflow is required to be classified as a financing activity consistent with other repurchases of an entity's equity instruments. This proposal would eliminate entities' diverse accounting practices.

Question 10: Are the transition requirements for each area appropriate? If not, what transition approach is more appropriate?

We are supportive of the FASB's proposed transition requirements.

Question 11: How much time will be necessary to adopt the amendments in this proposed Update? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?

We believe the proposed Updates would simplify and reduce the complexity of the accounting under the current standard, thereby reducing costs. Therefore, we do not expect a significant amount of time required to implement the amendments in this proposal for either public or other-than public business entities.

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 H. Hoffmeister
Corporate Controller

cc: Vasant Prabhu, Chief Financial Officer
Tracey Heaton, SVP, Chief Corporate Counsel