



May 27, 2015

Russell G. Golden
Financial Accounting Standards Board
401 Merritt 7
PO BOX 5116
Norwalk, CT 06856-5116
Reference No. 2015.240

Re: ASU Topic 606 – Deferral of the Effective Date

Dear Mr. Golden:

Microsoft Corporation is writing in response to the Proposed Accounting Standards Update issued, April 29, 2015, on the topic of deferring the effective date of ASC Topic 606 for one year for public entities.

We commend the Financial Accounting Standards Board for considering the many comment letters for ASU 2014-09 received and for performing a research project in relation to the proposal of deferring the effective date of ASC Topic 606. We have closely followed the revenue recognition project and are committed to the successful adoption and implementation of ASC 606. We do not object to a deferral of the effective date as the deferral may be necessary for some companies to successfully implement the standard.

We would like to specifically address Question 4 of the Amendment: Should earlier application of the guidance in Update 2014-09 be permitted as of the effective date originally included in Update 2014-09?

We strongly support the option of early application of ASC Topic 606 as of the effective date originally included in Updated 2014-09. We believe ASC 606 is a significant improvement to the existing revenue accounting guidance, specifically compared to ASC 985-605 for software licensing. ASC Topic 606 provides more consistency and comparability to accounting for contract revenue across industries, and we believe it will lead to more relevant financial information for investors.

Allowing early application for companies that are able to adopt the standard on the original timeline will avoid incremental implementation costs that are anticipated if the

effective date is deferred for all companies. We acknowledge that allowing early application may lead to some diversity in reported revenue for a short period of time, however, the benefits of allowing early application should outweigh any costs over this short period of time.

Please do not hesitate to contact us with any questions or to discuss this proposal further.

Sincerely,

A handwritten signature in blue ink that reads "Frank H. Brod". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Frank H. Brod,
Corporate Vice President
Finance and Administration and
Chief Accounting Officer
Microsoft Corporation