GROUPON

August 12, 2015

Ms. Susan Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: Proposed Accounting Standards Update: *"Compensation—Stock Compensation (Topic 718) – Improvements to Employee Share-Based Payment Accounting"* (File Reference No. 2015-270)

Dear Ms. Cosper:

We appreciate the opportunity to respond to the Financial Accounting Standards Board's (FASB) proposed Accounting Standards Update (ASU) regarding improvements to employee share-based payment accounting.

Groupon, Inc. supports the FASB's efforts to reduce complexity in accounting for share-based payment transactions. We agree with the proposals to classify excess tax benefits as an operating activity on the statement of cash flows and to classify cash paid by an employer when directly withholding shares for taxes as a financing activity. We also support the proposal that would permit a company to withhold up to the maximum statutory tax rate in the applicable jurisdiction without triggering liability classification, as well as the proposal to allow entities to make an accounting policy election to account for forfeitures when they occur. We agree that those proposed amendments reduce cost and complexity for financial statement preparers while maintaining or improving the decision-useful information provided to financial statement users.

Although we agree with eliminating the requirement to track APIC pools, which requires significant cost and effort without corresponding benefits to financial statement users, we do not believe that excess tax benefits and tax deficiencies should be recognized in the income statement. Such treatment would be inconsistent with the grant date measurement model applied to the underlying equity-classified awards. We believe that this inconsistency between the measurement dates used to record compensation expense from share-based payment transactions and the related income tax effects would make the resulting financial statements less understandable to users and create artificial volatility in the reporting entity's effective tax rate that does not reflect the underlying economics. Accordingly, we believe that all excess tax benefits and tax deficiencies should be recorded as adjustments to paid-in capital. Such treatment would be consistent with the intra-period allocation of the income tax effects of other types of equity transactions.

If you have any questions about our comments or wish to discuss any of the matters addressed throughout, please contact me at 312-334-1579.

Respectively submitted,

Brian C. Stevens
Chief Accounting Officer
Groupon, Inc.