



June 29, 2016

Submitted via email (director@fasb.org)

Technical Director
File Reference No. 2016-240
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2016-240, Exposure Draft: Technical Corrections and Improvements to Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606)

Apple Inc. is pleased to have the opportunity to comment on the Financial Accounting Standards Board's exposure draft issued on May 18, 2016 related to Technical Corrections and Improvements to Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), (the "ED").

We support the amendments proposed in the ED, specifically the practical expedient included in Issue 6 that variable consideration related to sales-based or usage-based royalties on licenses of intellectual property is not required to be included in an entity's disclosure of its remaining performance obligations. We agree with the discussion in paragraph BC18 of the ED that estimating and disclosing a minimum amount of remaining revenue for contracts with these types of royalties would not provide users of the financial statements with relevant information. Additionally, we believe the practical expedient naturally aligns with the royalty recognition constraint included in Update No. 2014-09, whereby revenue for sales-based or usage-based royalties for licenses of intellectual property is not recognized until the subsequent sale or usage occurs.

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Please contact me at (408) 862-4776 if you have questions regarding our response or other aspects of the ED.

Very truly yours,

A handwritten signature in black ink, appearing to read "Chris Kondo", is written over a light blue horizontal line.

Chris Kondo
Senior Director, Corporate Accounting
and Principal Accounting Officer