



American Express
100 First Stamford Place
Stamford, CT 06902

July 5, 2016

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2016-240 Proposed Accounting Standards Update – Technical Corrections and Improvements to Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“Proposed ASU”)

Dear FASB Members:

American Express Company is a global services company with principal products and services including charge and credit payment card products and travel-related services, merchant transaction processing, fee services and expense management products and services, among others. The Company’s various products and services are sold globally to diverse customer groups, including consumers, small businesses, mid-sized companies, large corporations and merchants.

Thank you for the opportunity to comment on the recent Proposed ASU. We appreciate the substantial efforts of the FASB/IASB Joint Transition Resource Group for Revenue Recognition in clarifying the application of the guidance in Topic 606. Our response to the question relevant to American Express posed in the Proposed ASU is provided below.

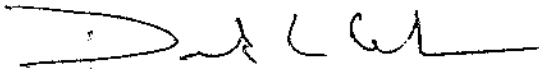
Question 5: The proposed amendments would provide an additional practical expedient to the disclosure of remaining performance obligations in specific situations in which an entity need not estimate variable consideration to recognize revenue. Would the addition of this practical expedient diminish the usefulness of the disclosure information? If yes, please explain why. Would the proposed amendments reduce the cost and complexity of applying Topic 606? If not, why? Are there other situations in which an entity would be required to estimate variable consideration for disclosure but not for purposes of recognizing revenue?

We strongly support the proposed additional practical expedient. We believe that the proposed amendments would reduce the cost and complexity of applying Topic 606, particularly for companies with contracts containing performance obligations that represent a series of distinct goods or services in accordance with ASC 606-10-25-14(b) and for which variable consideration is allocated (in accordance with ASC 606-10-32-40) and thus, variable consideration is not required to be estimated for revenue recognition purposes. We believe it would be common for service providers (such as transaction processors like American Express & other repetitive service providers) to have a large number of contracts meeting the aforementioned criteria where most or all of the consideration in the contract is

variable and allocated in accordance with ASC 606-10-32-40. If the practical expedient recommended above is not applied, significant incremental costs and complexity would be created in applying Topic 606 as variable consideration for these contracts would be required to be estimated for disclosure purposes only, and without necessarily providing incremental benefit to the users of our financial statements. We believe the incremental costs and complexity would not be consistent with the Board's intent to simplify the application of the 5-step model through the original introduction of the series guidance in Update 2014-09. We note that in original deliberations of Update 2014-09, the Board observed that there would not be significant incremental costs imposed on entities to disclose remaining performance obligations, because the entities would already be required to determine and allocate the transaction price to remaining performance obligations. We do not believe it would be appropriate to require companies to estimate such amounts purely for disclosure purposes. As such, we strongly support the Board's proposed amendments to provide this additional practical expedient.

American Express appreciates the opportunity to provide our comments on the proposed amendments to the disclosure guidance in Topic 606. If you have any questions regarding our letter or would like to discuss our view in further detail, please feel free to contact me directly at (203) 658-9303.

Sincerely,



David L. Cornish
SVP and Deputy Corporate Controller
American Express Company

Cc:

Linda Zukauckas, EVP and Corporate Controller, American Express Company