

September 25, 2015

Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: *Possible Revisions to Audit Committee Disclosures* (File No. S7-13-15)

Office of the Secretary:

MasterCard Incorporated (“We”, “MasterCard” or the “Company”) is pleased to respond to the Securities and Exchange Commission’s (“SEC” or the “Commission”) Concept Release on *Possible Revisions to Audit Committee Disclosures* (File No. S7-13-15) (the “Release”).

Our Company strongly supports meaningful high-quality disclosure, inclusive of audit committee reporting. We further support our audit committee in the execution of its responsibilities, including the oversight of our independent auditor, and encourage a robust and free flowing discussion between these two parties. We appreciate the SEC’s efforts to assess the current audit committee reporting model for the purpose of determining if enhanced transparency is needed to help investors understand and evaluate audit committee performance.

We recognize that there have been significant changes to the roles and responsibilities of both audit committees and independent auditors since the majority of the disclosure rules were adopted in 1999. While we agree that amending the current disclosure requirements to reference the required communication standards between auditors and audit committees as contained within the PCAOB standards is appropriate, we believe that the existing proxy disclosure requirements effectively capture the information that is needed for investors to understand if an audit committee has fulfilled its obligation regarding oversight of the independent auditor. Furthermore, audit committees voluntarily provide information beyond the current disclosure requirements in response to market demands. We would encourage the Commission to continue to allow audit committee disclosures to develop through voluntary enhancements, providing audit committees the flexibility to disclose information that is relevant and of interest to investors.

We have concerns that additional mandatory disclosure requirements on the topics outlined in the release could have unintended adverse consequences that could hinder communication between the audit committee and the independent auditor, impair an audit committee’s flexibility and judgment in discharging its responsibilities, and contribute to the level of “disclosure overload” that the Commission is concerned about while providing limited incremental value to investors. We have outlined our specific concerns on select topics below for your consideration.

Disclosures regarding Audit Committee Oversight of the Independent Auditor

Requiring additional qualitative disclosure regarding the nature and substance of required communication between the independent auditor and the audit committee, including the audit committee's consideration thereof, poses several areas of concern including: disclosures around significant risks; the nature and extent of specialized skill sets used in the audit; the scope of the audit; locations visited by the auditor and the relative amount of the account balances related to such locations as compared to the consolidated financial statements.

These potential disclosures are concerning for the following reasons:

- Significant risks as defined by auditing standards are determined based on professional judgment of the independent auditor and their audit methodology which may be inconsistently identified across industries and firms. Currently, the quarterly and annual financial reports filed with the SEC include disclosure of critical accounting policies, significant financial estimates, business and operating trends, as well as, financial and operational risks. Significant risks as defined by the independent auditor, which may be appropriate in designing an effective audit, may not be fully understood by the readers of these public filings as they may not always align with the business risks to the organization.
- Determining what is sufficient in terms of the scope of the audit including locations visited and account coverage is a matter of professional judgment that is ultimately determined by the Independent Auditor. This can also vary significantly from company to company. For example, an audit of a company with a single instance of a revenue recognition system managed centrally would likely involve fewer site visits than a decentralized company with multiple revenue streams. Mandatory disclosure in both instances would not result in meaningful comparable disclosure for investors. Furthermore, providing in-depth information to an investor regarding the Committee's consideration of the audit approach would have potentially negative consequences:
 - Audit firms may increase the level of testing or audit effort beyond what it needed to complete and sign an opinion under current professional standards for the sake of public perception if locations and coverage percentages must be disclosed.
 - Professional judgment may be susceptible to challenge and potential litigation from investors who may not understand the information provided, leading to increased litigation and costs. Moreover, concerns about increased litigation and second guessing the professional judgment of the independent auditor or the audit committee may result in a less robust discussion between audit committees, management, and the independent auditor due to concern that the details of these discussions might be disclosed.

The frequency with which the Audit Committee met with the Auditor

We do not believe there should be required disclosure of the frequency of meetings the audit committee has with the independent auditor as it relates to both public and private sessions. Disclosing the number of meetings between the parties would not provide meaningful

comparable information to an investor as, without context, there is no way to determine whether the frequency was sufficient. Furthermore, private sessions provide an opportunity for open dialogue between audit committees and the independent auditor where sensitive matters and opinions are shared without management's presence or influence. These meetings provide Audit Committees with useful information to help them make decisions and carry out their responsibilities. Requiring the number of private sessions or the topics discussed at such sessions to be publically disclosed would most likely have an adverse effect on the communication between an audit committee and its independent auditor.

Conclusion

While we support the SEC in their assessment of the current Audit Committee reporting model, MasterCard would encourage the Commission to continue to support voluntary disclosure that would allow an audit committee the flexibility to disclose, in its professional judgment, additional information that would be meaningful to investors based on the results of its governance process and the interest of its stakeholders.

We appreciate the opportunity to provide comments on the Concept Release. If you have any questions, please contact me at [REDACTED].



Sincerely,
Andrea Forster
Corporate Controller, Principal Accounting Officer
MasterCard Incorporated