



Verifone Systems, Inc.
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T: 408 232 7800

VIA EMAIL

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

Re: File No. S7-13-15; Release No. 33-9862, 34-75344; Possible Revisions to Audit Committee Disclosures

Ladies and Gentlemen:

Thank you for the opportunity to respond to the Concept Release regarding audit committee reporting of its responsibilities with respect to its oversight of the independent auditor. Verifone Systems, Inc. is a U.S.-based global leader in secure electronic payment solutions at the point of sale with sales of \$1.9 billion in fiscal year 2014 and total assets of \$2.7 billion as of 2014 fiscal year end. We provide expertise, solutions and services that add value at the point of sale and enable innovative forms of commerce. For over 30 years, we have been a leader in designing, manufacturing, marketing and supplying a broad range of innovative payment solutions and complementary services that enable secure electronic payment transactions and value-added services at the point of sale. We are publicly traded on the New York Stock Exchange.

The oversight of auditors provided by audit committees is important to protecting investors and promoting the transparency, efficiency and quality of the capital markets. Accordingly, audit committee disclosures should provide investors with useful information about the role and function of the audit committee in overseeing the auditor. Because each company is different, we believe it is important to avoid disclosure requirements that take a "one size fits all" approach. We believe that any additional disclosure requirements should be principles-based in order to allow audit committees the flexibility to determine the extent of disclosure needed to sufficiently and meaningfully inform investors of what is relevant and important.

The benefit of increased disclosures must be also balanced against the additional cost to issuers and the additional time that must be spent by audit committees to comply with any additional disclosure requirements. Furthermore, it is important that any additional disclosure requirements preserve open audit committee communications and do not create any effects that inhibit robust review processes.



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A. Audit Committee's Oversight of the Auditor

The Concept Release seeks comment on whether there should be disclosures regarding the nature or substance of the required communications between the auditor and the audit committee. We believe that current disclosures required by Item 407 of Regulation S-K regarding audit committee members and the audit committee's charter enable investors to assess the capabilities of those who oversee the auditors and the nature of the oversight performed by the audit committee, and that guidelines of required auditor communications under Rule 2-07 of Regulation S-X provide investors with adequate information regarding the specific matters auditors report to audit committees. Any additional rulemaking in this area should take a balanced approach, providing investors with meaningful disclosure while at the same time preserving the quality of the audit committee's oversight processes.

B. Audit Committee's Process for Appointing or Retaining the Auditor

We believe that the current requirement to disclose an audit committee's charter provides investors with meaningful information regarding the guidelines that an audit committee uses in appointing or retaining the company's auditors. Additional disclosures regarding the audit committee's specific considerations in appointing or retaining an auditor in a particular year may constrain the evaluation process as some audit committees might become overly focused on pre-established evaluation criteria. We support rule-making that would establish a principles-based framework that would allow audit committees the flexibility to determine the extent of disclosure. We believe this approach better empowers audit committees to apply professional judgment without being second-guessed regarding their specific considerations.

C. Qualifications of the Audit Firm and Certain Members of the Engagement Team Selected By the Audit Committee

We think additional disclosures about the qualifications of the audit firm or engagement team within an audit committee report would provide limited additional value to investors. The PCAOB has responsibility to oversee the firms that audit public companies, and any issues with their qualifications are reported through that process. Individual tenure is not necessarily an indicator of audit quality or qualifications, and more detailed disclosures about the specific qualifications considered by an audit committee in a particular year may become boilerplate disclosure that provides minimal additional value to investors.



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In summary, we support the Commission's attention to and evaluation of the issues raised in the Concept Release. However, we urge the Commission to take into account the practical constraints of any additional disclosure requirements, such as their potential effects on audit committee communications and added compliance costs, against their expected benefits, and to adopt a principles-based approach in any additional rulemaking in this area. This will enable companies and their audit committees to provide the information that is most meaningful to investors based on the company's particular facts and circumstances while avoiding the need to make immaterial and potentially boilerplate disclosure.

We appreciate your consideration of our comments. We would be pleased to discuss any of the comments in this letter with you in more detail. Please feel free to contact us at (408) 232-7800 with any questions regarding our comments on the Concept Release.

Sincerely,

Suzanne M. Colvin
Vice President, Accounting & Reporting
on behalf of Verifone Systems, Inc.

Marc Rothman
Executive Vice President and Chief Financial Officer
on behalf of Verifone Systems, Inc.

cc: Robert Alspaugh, Chairman, Audit Committee, Verifone Systems, Inc.
Paul Galant, CEO, Verifone Systems, Inc.
Albert Liu, EVP, Corporate Development & General Counsel, Verifone Systems, Inc.
Vikram Varma, Deputy General Counsel, Verifone Systems, Inc.