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Technical Director

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Financial Accounting Standards Board
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Pfizer is a research-based, global biopharmaceutical company. We discover, develop, manufacture and market leading medicines and vaccines, as well as many of the world's best-known consumer healthcare products. Pfizer's total revenues and assets reported in its Annual Report as of and for the year ended December 31, 2013 were approximately \$52 billion and \$172 billion, respectively.

We appreciate the opportunity to respond to the FASB Proposed Statement of Financial Accounting Concepts (the Proposal) on *Conceptual Framework for Financial Reporting, Chapter 8: Notes to Financial Statements*. Our responses are from the perspective of an SEC registrant.

Pfizer supports the Board's continued efforts to establish an overarching framework to make financial statement disclosures more effective and coordinated and less redundant.

We continue to encourage the cooperation of the Board with the SEC Staff to identify ways to improve the efficiency and effectiveness of disclosures, including ways to reduce overlapping disclosures.

General Comments

The Narrowing Process

We understand the framework as presented in the Proposal and we understand that the very broad questions provided in Appendix A are questions that Board members will be compelled to consider, whether included in Appendix A or not.

However, we are concerned about the intentional lack of guidance for Board members concerning the "[identification] of a more narrow (and, in many cases, a far more narrow) set of disclosures" related to a particular topic. We believe that framework should play a critical role in providing specific principles to guide the narrowing process.

Some principles have been provided in the text of the Proposal, but perhaps some additional questions should be added to Appendix A related to the narrowing process. For example, we suggest including broad questions related to:

- Cost of compliance vs. the benefits to users (beyond the mention in D17)

- Operational considerations
- Nature of the disclosures (fact-based vs. speculative)
- Decision-Usefulness
- Relevance
- Auditability
- Reliance on management representations
- Competitive harm
- Safe-harbor protections
- Duplication/redundancy
- Etc.

Establishment of Clear Principles for the Content and Nature of Footnote Information

We know that the Board has no mandate with respect to information outside of the financial statements and should rightfully resist consideration of entity-specific information provided outside of the financial statements, as those disclosures are outside of the control of the Board.

With respect to the Board's authorized role, in our view, it is of paramount importance that the information provided in the footnotes be limited to fact-based disclosures (disclosures that are auditable without significant reliance on management representations). Preparers simply should not be unnecessarily exposed to legal liability as a result of disclosing subjective, forward-looking information in the footnotes. We must have the protection of safe-harbor laws. In summary, forward-looking information provided in the footnotes should be limited and fact-based.

For clarity, this approach would not preclude the inclusion of any forward-looking information from the footnotes. For example, we believe that preparers generally would not object to "forward-looking" information such as providing multi-year projections for expected benefit payments associated with pension plans, intangible asset amortization or scheduled debt repayments. Nor do we believe that preparers would object to the presentation of the assumptions or valuation methods used to develop significant, subjective financial statement measures as long as the disclosures were based on objective, factual and auditable information, such as discount rates, expected rate of return on plan assets, fair value methodologies employed for asset/liability measurement or impairment testing or assumptions used to develop measurements for share-based compensation, etc. Further, we also believe that most preparers would not conceptually object to the use of fact-based sensitivity analyses in the footnotes for significant measurement inputs (for example, a 1% increase in this assumption would have the following impact), as long as appropriate cautionary language is permitted as well.

The Board has addressed future-oriented information that should be considered for disclosure in the notes to the financial statements. The Board also emphasizes in paragraph D31 "...the Board generally does not require disclosures of expectations and assumptions about the future that are not inputs to current measures in financial statements or notes."

We would provide further clarification in this paragraph D31 and add that the Board generally would not require future-oriented information in the financial statement footnotes unless limited and fact-based.

Finally, we noted, however, that the Board has included in the Proposal certain considerations for disclosure that are very concerning. Specifically, we find the suggestions in the following sections (and the related questions in Appendix A) to be inconsistent with our view of the role of footnotes and could likely expose even good-faith preparers to significant liability, if not restricted to limited, fact-based information:

- D38d
- D38f
- D57-D58

There may be others.

Interim Reporting

We are pleased that the Board is actively engaged in the interim reporting dilemma. We agree with the Board that interim disclosures are intended to update the most recent annual financial statements and would only be provided to convey new information or to provide information about significant changes to matters previously disclosed.

We appreciate the Board's recognition, in paragraph BC21, that there has been an "expansion of [interim] disclosures in recent years, which has placed a strain on the ability of preparers to provide the information within tighter reporting deadlines."

Yet, we reject the blanket notion expressed by the Board in paragraph BC19 that "it is appropriate for [the Board] to require at least some level of disclosure for interim financial reporting." Why? The Board should be obligated to justify each disclosure on its merits, not 'just because.' The Board should concentrate on establishing interim disclosure principles that are appropriate and clear.

Responses to Selected Questions for Respondents

Question 3: Do the concepts in this chapter encompass the information appropriate for disclosure in notes to financial statements that would assist resource providers in their decision making? Are there concepts that should be added or removed?

Response to Question 3:

We believe that the Proposal should complete the framework by addressing the narrowing process. Narrowing principles/guidelines should be provided within the framework. See our comments above.

Question 4: Are there additional concepts needed to identify information that is unsuitable for requirement by the Board in notes to financial statements even though that information would be consistent with the purpose of the notes?

Response to Question 4:

We reiterate our belief that information provided in the footnotes be fact-based (auditable without significant reliance on management representations) and, as such, not raise safe-harbor issues for preparers (as forward-looking information provided in the footnotes would not be covered by safe-harbor provisions).

Question 5: Do the decision questions in Appendix A identify the information appropriate for the Board to consider requiring for disclosure when setting standards related to line items and other past events and current circumstances and conditions that can assist resource providers in their decision making?

Response to Question 5:

Yes, but the framework should be expanded to include guidance related to the narrowing process. See our comments above.

Question 6: Does the discussion in paragraphs D43–D50 identify the information appropriate for the Board to consider when setting standards related to information about the reporting entity?

Response to Question 6:

Yes, but the framework should be expanded to include guidance related to the narrowing process. See our comments above.

Question 7: Will the concepts related to future-oriented information (paragraphs D22–D31) result in disclosures that are appropriate for the notes? If not, what types of information should be included in or excluded from consideration for disclosure in the notes?

Response to Question 7:

Yes, if strictly applied. We reiterate our belief that information provided in the footnotes be fact-based (auditable without significant reliance on management representations) and, as such, not raise safe-harbor issues for preparers (as forward-looking information provided in the footnotes would not be covered by safe-harbor provisions).

However, beyond D22-D31, we are concerned about the suggestions in the following sections (and the related questions in Appendix A). We find them to be inconsistent with our view of the role of footnotes and could likely expose even good-faith preparers to significant liability, if not restricted to limited, fact-based information:

- D38d
- D38f
- D57-D58

There may be others.

Question 8: Do the concepts in this chapter appropriately distinguish the types of information that are appropriate for the notes from the analysis management provides in other communications?

Response to Question 8:

No. See our comments above.

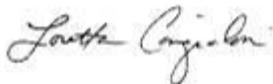
Question 9: Are the concepts related to disclosure requirements for interim periods (paragraphs D60–D71) appropriate? If not, are there concepts that should be added or removed?

Response to Question 9:

Yes, the concepts related to disclosure requirements for interim periods (paragraphs D60-D71) seem to be appropriate, but see our additional comments above.

We appreciate your consideration of these comments.

Sincerely,



Loretta Cangialosi
Senior Vice President and Controller

cc:

Frank D'Amelio
Executive Vice President, Business Operations and Chief Financial Officer