**Pfizer Inc**
235 East 42nd Street
New York, NY 10017

July 6, 2015

Technical Director
File Reference Nos. 2015-260
FASB
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Subject: Proposed Accounting Standards Update (ASU), *Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments*

Dear Technical Director:

Pfizer Inc. is a research-based, global biopharmaceutical company headquartered in New York. We discover, develop, manufacture and market leading medicines and vaccines, as well as many of the world's best-known consumer healthcare products. In 2014, we reported revenues of $50 billion and total assets of $169 billion. We have considerable experience with purchase business combinations, such as our $68 billion acquisition of Wyeth in 2009.

Pfizer supports the intent underlying the Board's broad Simplification Initiative; that is, to reduce the cost and complexity in U.S. GAAP, while maintaining or improving the usefulness of the information provided to users of financial statements. We believe the amendments in this proposed Update achieve that worthy goal.

Our responses to the specific questions asked in the proposed Update follow:

<u>**Questions for Respondents**</u>

**Question 1: Should adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period be recognized in the reporting period in which the adjustment amount is determined? Why or why not?**

**Question 2: If adjustments to provisional amounts as of the acquisition date would have affected earnings in periods subsequent to the initial accounting for the business combination, should the effect on earnings, in periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects be recognized in the income statement in the reporting period in which the adjustment to the provisional amount is determined? Why or why not?**

Yes. We believe the proposed approach to (i) recognize adjustments to provisional amounts and the corresponding adjustment to goodwill that are identified during the measurement period and (ii) recognize the effect on earnings, for periods prior to the adjustment period, of changes in depreciation, amortization, or other income effects, in the reporting period in which the adjustment is determined achieves the intentions of the Board's Simplification Initiative.

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In addition, we believe that the amendments in the proposed Update provide users of financial information similar, relevant information about measurement-period adjustments to provisional amounts in a practical manner, by requiring the disclosure of the measurement-period adjustments as well as the amount of adjustment to current period earnings that relates to prior period earnings (if the adjustment to provisional amounts were recognized as of the acquisition date), without the additional cost and complexity that is incurred under the current guidance to evaluate these adjustments for retrospective restatement.

We recognize that under the current guidance, evaluating impacts of measurement-period adjustments for restatement of prior period financial statements conceptually may result in a more theoretically desirable outcome. However, undertaking these complex evaluations can be significant distractions for entities and usually they do not result in more useful information for users of financial statements.

**Question 3: Should the proposed guidance be applied prospectively to adjustments made to provisional amounts that are identified after the effective date and that are within the measurement period? Why or why not?**

Yes. We do not see a benefit to financial statement users of applying the amendments in the proposed Update retrospectively.

**Question 4: How much time will be necessary to adopt the amendments in this proposed Update? Should early adoption be permitted? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?**

We do not believe it will require much time to adopt the amendments in this proposed Update as the amendments appear to make the current guidance less complicated to apply; therefore, we would support an effective date soon after issuance. We would not object to permitting early adoption as the proposed disclosure for the nature and amount of measurement-period adjustments recognized in the current period provides for comparability with entities that do not choose to early adopt. We would not object if additional time was granted for entities other than public business entities to apply the proposed amendments; however, we do not believe that the amount of time needed for entities other than public business entities to apply the proposed amendments is different.

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We appreciate the opportunity to provide our comments on the amendments in the proposed Update. We would be happy to discuss our comments with you further or to meet with you if it would be helpful.

Loretta V. Cangialosi
Senior Vice President and Controller

cc: Frank D'Amelio
Executive Vice President and Chief Financial Officer