



Pfizer Inc
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December 4, 2015

Technical Director
File Reference No. 2015-310
FASB
401 Merritt 7
P.O. Box 5116
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Subject: Proposed Accounting Standards Update (ASU), *Notes to Financial Statements (Topic 235): Assessing Whether Disclosures Are Material*

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.

Pfizer supports the intent underlying the Board's broad Framework project; that is, to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by generally accepted accounting principles (GAAP) that is most important to users of each entity's financial statements. While we do not believe this proposed Update provides any new guidance, the proposed amendments provide clearer communication and as such, we support its issuance.

Questions for Respondents

Question 1: Would assessing materiality subject to the proposed changes to paragraphs 235-10-50-7 through 50-8 be any easier than under current GAAP? If yes, please explain why.

No, we do not believe the proposed changes to paragraphs 235-10-50-7 through 50-8 will change how we assess materiality under current GAAP, particularly as the SEC's Staff Accounting Bulletin 99 remains in effect. However, in this proposed Update, the proposed changes to existing disclosure requirements will permit us to review items for materiality where previously terms such as "at a minimum" implied that there was no materiality threshold, but rather, these were prescribed disclosures.

Question 2: Would applying the amendments in this proposed Update significantly increase or reduce costs of preparing the notes to financial statements? Why or why not?

We do not believe that there would be a significant change in costs. In order to appropriately assess materiality, we would still need to gather the information upon which to make the assessment.

Question 3: Would the amendments in this proposed Update change the information you otherwise would include in the notes to financial statements? Why or why not? If yes, how would that increase, diminish, or otherwise change the notes' usefulness to investors, creditors, and other financial statement users?

No, we do not believe the amendments in this proposed Update would change the information we include in the notes to our financial statements. We would not expect the proposed amendments in this proposed Update to cause us to change how we assess materiality for disclosures in the notes to our financial statements. It may allow us to change our approach where the words "at a minimum" had been interpreted as a presumption that the item was prescribed to be disclosed.

Question 4: Do you expect regulatory, legal, or audit consequences that would affect your ability to consider materiality when selecting information to be disclosed in notes to financial statements? Please explain.

No, we believe the Board's intent is clear.

Question 5: How would you disclose information in comparative financial statements if your assessments of materiality differed in different years?

We would not expect the proposed amendments to impact how we assess materiality in comparative financial statements. For example, in a year where the item is material it will need to be disclosed and we would likely disclose the related amount for a past year or state that it was not material so a reader would understand the change.

Question 6: Should the Board eliminate from the Accounting Standards Codification phrases like "an entity shall at a minimum provide" and other wording that could appear to limit an entity's discretion to omit immaterial disclosures? Are there particular Topics or Sections in which those changes should not be made? Are there additional paragraphs within the Accounting Standards Codification in which the wording is particularly restrictive and is not identified in Appendix B of this proposed Update? If so, please identify them.

We support the Board's proposal to remove from the Accounting Standards Codification all phrases such as "at a minimum provide". Such phrases appear inconsistent with the Board's stated intention to promote the use of discretion, as noted in BC24.

Question 7: Do you agree with the proposed amendment that would explicitly state that the omission of an immaterial required disclosure is not an accounting error? Why or why not.

We would not object to the proposed amendment that would explicitly state that the omission of an immaterial required disclosure is not an accounting error, as it provides clarity. We believe that given the small thresholds that external audit firms utilize to make assessments of errors that are provided to audit committees, we believe that this will enable firms to ensure that the most relevant issues are considered and reviewed with the audit committee. We also believe that management will be able to use the Audit Committee time to focus on the process management uses to make materiality decisions relative to the financial statement disclosures rather than simply going through a list of immaterial items.

Question 8: Are there considerations other than those discussed in this proposed Update that would apply to not-for-profit entities?

N/A

Question 9: Should the proposed amendments be effective upon issuance?

Yes, we see no reason why they should not be effective upon issuance.

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