



The Dow Chemical Company
Midland, Michigan 48674

April 29, 2016

Via email to: director@fasb.org

Ms. Susan M. Cospers, Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

**Re: File Reference No. 2016-210, Proposed Accounting Standards Update,
Compensation—Retirement Benefits—Defined Benefit Plans—General
(Subtopic 715-20)**

Dear Ms. Cospers,

The Dow Chemical Company ("Dow") appreciates the opportunity to comment on the Financial Accounting Standards Board's Proposed Accounting Standards Update, "Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20)".

The proposed guidance was issued as part of the disclosure framework project. The objective and primary focus of the disclosure framework project 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 (U.S. GAAP) that is most important to users of each entity's financial statements.

The proposed guidance incorporates, by reference, proposed Accounting Standards Update ("ASU"), "Notes to Financial Statements (Topic 235): Assessing Whether Disclosures Are Material", which is intended to promote the use of discretion by reporting entities when evaluating disclosure requirements set forth by the Board. Appropriate application of the amendments in that proposed ASU would result in an entity providing material information while providing an option to generally exclude immaterial information. The amendments in that proposed ASU would, among other things, clarify that reporting entities may consider materiality when assessing disclosure requirements for both quantitative and qualitative information.

Our responses to selected specific questions for respondents are as follows:

Question 1: Would the proposed amendments result in more effective, decision-useful information about defined benefit pension and other postretirement plans? If not, please explain why. Would the proposed amendments result in the elimination of decision-useful information about defined benefit pension and other postretirement plans? If yes, please explain why.

We agree that the proposed amendments to remove disclosures that are no longer considered useful will improve the effectiveness of the disclosure requirements for defined pension and other

postretirement benefit plans. For example, currently required disclosures about accumulated benefit obligations are not useful and may serve to distract from the effectiveness of other required disclosures. Likewise, certain new disclosures required by the proposed ASU, such as the weighted-average interest crediting rate for cash balance plans, address changes in the structure of defined benefit pension plans and provide more relevant disclosures for users of the financial statements.

However, other newly required disclosures, such as benefits provided, groups covered and benefit formulas may be of interest to beneficiaries of the plans but would add excessive information of nominal value to the average user of the financial statements.

Most importantly, we disagree with the rationale for and, ultimately, the usefulness of disaggregating disclosures between domestic and foreign plans that is required by the proposed ASU. While we agree with the Board's statement in paragraph BC27 that one of the primary differences between foreign and domestic plans are the regulatory requirements governing the plans, including their funding commitments, the same can be said of plans in each foreign country. For example, the funding commitments required by plan regulatory authorities in The Netherlands are significantly different from the funding commitments required by regulatory authorities for plans in Germany. Therefore, the grouping of foreign plans is an arbitrary aggregation of plans whose only similarity is they are not domestic. We believe that this arbitrary grouping would not provide the financial statement users with any additional relevant or decision-useful information regarding the funded status or plan assets of foreign plans. In addition, these disclosures would nearly double the disclosure requirements for a financial statement footnote which is already one of the longest in the financial filings. For Dow specifically, we currently require eight pages of footnotes to disclose our defined benefit plans under U.S. GAAP. This amendment would add several additional pages to this disclosure.

The Board noted in the section, "Why is the FASB Issuing This Proposed Accounting Standards Update?," that, in general, financial statement users have indicated that current disclosures about defined benefit plans and other postretirement plans are sufficient and do not need substantial revision. Therefore, the proposed ASU's requirement to significantly increase disclosures needs to be substantiated by the Board.

Question 2: Are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability issues and why?

Beyond the need to add additional resources to both prepare and audit the requirements, we do not expect any major operational difficulties to implement the proposed disclosure requirements, and we expect that information would be auditable. However, as stated above, we contend that the proposed disclosure requirement to disaggregate foreign and domestic plans will not add value to the financial statement disclosures and, although auditable, the additional disclosure requirements will result in increased audit fees.

Question 3: Would any of the proposed disclosures impose significant incremental costs? If so, please describe the nature and extent of the additional costs.

Yes. The additional disclosure requirements would require a coordinated effort with benefits, investment and actuarial teams around the world to ensure information is appropriately gathered and summarized for disclosure. Due to the number of plans we have around the world, the implementation effort is expected to be substantial and will require infrastructure changes to the global reporting tools utilized for the current disclosure requirements to ensure domestic and foreign plans are appropriately segregated as required by the proposed ASU.

After the initial implementation of the proposed ASU, most of the proposed disclosures would only require updates from year-to-year. However, as the proposal to disaggregate disclosures between domestic and foreign plans would substantially increase the number of tables and other information presented in the notes to the financial statements, this would require significantly more time on an ongoing basis for preparers and reviewers of the financial statements. In addition, the new disclosure items would require additional XBRL tagging which will require substantial time to implement and maintain.

Question 5: Are there any other disclosure requirements retained following the review of Subtopic 715-20 that should be removed on the basis of the proposed Concepts Statement or for other reasons? Please explain why. To see how the Board applied the decision questions from the proposed Concepts Statement to Subtopic 715-20, see Decision Questions Considered in Establishing Disclosure Requirements on this project's summary page on the FASB's website.

We consider the requirement to disclose plan assets at fair value (by Level 1, 2 and 3) to be of very nominal value to users of the financial statements. Likewise, the requirement to report the changes in fair value of Level 3 pension plan assets is not meaningful to users of financial statements. The Board should consider removing these disclosure requirements from the pension footnote.

Question 6: How much time would be needed to implement the proposed amendments?

Given the global nature of the information required to implement the proposed ASU and the structural changes we would need to make to our reporting processes, we would expect public companies to need a minimum of 12-months to implement the proposed amendment.

We do not take a position on the other questions in this section. Thank you for the opportunity to provide comments on the proposed ASU. If you have any questions or if you would like to discuss further, please let me know.

Best regards,



Ronald C. Edmonds
Vice President, Controllers and Tax