Bristol-Myers Squibb

August 5, 2016

Technical Director
File Reference No. 2016-250
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: Proposed Accounting Standards Update (ASU), *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets* (Subtopic 610-20) Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets (File Reference No. 2016-250)

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20) Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets* (hereafter the "Proposed Guidance"). Bristol-Myers Squibb Company ("BMS") is a U.S. based Fortune 500 global specialty biopharmaceutical company with total revenues of $16.6 billion in 2015 and total assets of $31.7 billion as of December 31, 2015.

We highly support the objective to clarify the scope of asset derecognition guidance and accounting for partial sales of nonfinancial assets. Specifically, we believe the Proposed Guidance will improve financial reporting by:

- Addressing the current absence of specific accounting guidance on transfers of nonfinancial assets in nonrevenue transactions,
- Clarifying the scope of what constitutes an in substance nonfinancial asset as that term is currently not defined in the accounting guidance,
- Providing accounting guidance on partial sales of nonfinancial assets, and
- Clarifying accounting guidance on contributions of nonfinancial assets to form joint ventures.

The following are our responses to the questions posed in the Exposure Draft that are relevant to our company.

Question 1: Is the list of transactions that are excluded from Subtopic 610-20 in paragraph 610-20-15-3 complete? If not, please describe what is missing.

Yes, we believe the list of transactions that are excluded from Subtopic 610-20 in paragraph 610-20-15-3 is complete. We do believe that it would be helpful if the Proposed Guidance explicitly stated that the sales of future revenue, as outlined in ASC 470 *Debt*, does not meet the definition of a non-financial asset and therefore is not within the scope of this proposed guidance.

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Question 2: Do you agree that transfers of all businesses (including real estate businesses) or nonprofit activities should be excluded from the scope of Subtopic 610-20? If not, please describe the types of businesses that should be included in Subtopic 610-20 and how you would define them.

Yes, we believe the existing derecognition accounting on sale of a business is sufficient and thus the transfer on an acquired set of assets and activities that constitutes a business does not need to be considered in this proposed guidance.

Question 3: Given that the amendments in this proposed Update would require all businesses to be excluded from Subtopic 610-20, do you have any further comments on the appropriateness or operability of the amendments in the proposed Accounting Standards Update, Business Combinations (Topic 805): Clarifying the Definition of a Business?

We kindly asked the FASB to look to our letter on this topic to you dated January 22, 2016 with respect to our comments on the proposed guidance to ASC 805.

Question 4: The scope of Subtopic 610-20 includes in substance nonfinancial assets, which are defined in the Master Glossary and described in paragraphs 610-20-15-4 through 15-10 in this proposed Update. Is it appropriate to include those transactions within the scope of Subtopic 610-20, and would the guidance be operable? If not, why and what other alternatives would you suggest?

Yes, we find it appropriate to include in substance nonfinancial asset transactions within the scope of Subtopic 610-20, and that the guidance would be operable.

Question 6: When transferring an ownership interest in a subsidiary that is an in substance nonfinancial asset, do you agree that the unit of account should be each distinct nonfinancial asset in the subsidiary?

Yes, we agree that the unit of account should be each distinct nonfinancial asset in the subsidiary. Specifically we agree with the additional clarity provided in Basis for Conclusion 47 in that there are situations in which distinct nonfinancial assets are transferred at different points in time and thus separate units of accounting.

Question 9: Do you agree with providing an entity with the option to apply different transition methods to Subtopic 610-20 and Topic 606? If not, why?

Yes, we agree with providing an entity with the option to apply the full retrospective or modified retrospective transition methods to Subtopic 610-20 and Topic 606, given the significant differences in scope of the two standards, the challenges faced in adopting Topic 606 and how users of financial statements would review a registrant's financial statements under each transition approach permitted.

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Question 10: The proposed amendments on clarifying the definition of a business would require prospective adoption. If those proposed amendments are finalized before Subtopic 610-20 becomes effective, should an entity utilize either:

a. The definition of a business effective at the time of the transaction

b. The revised definition of a business when implementing Subtopic 610-20?

We believe an entity should utilize the revised definition of a business when implementing Subtopic 610-20 to assist in overall comparability of financial statement across registrants.

Question 12: Overall, do you agree that the proposed amendments would reduce the cost and complexity of evaluating the derecognition of nonfinancial assets? Why or why not?

Yes, we agree that the proposed amendments would reduce the cost and complexity of evaluating the derecognition of nonfinancial assets for the reasons stated in our introduction. Further, given our industry, we specifically support the proposed guidance in Example 1 - Sale of a Nonfinancial Asset for Variable Consideration, and its application to transactions of this nature.

We greatly appreciate your consideration of our comments and invite you to contact us if you have any further questions regarding our above comments on the Proposed Guidance.

Sincerely,

Robert Owens
Vice President & Assistant Controller

Tim Kocses
Director, Corporate Technical Accounting