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November 1, 2017

Technical Director  
File Reference No. 2017-270  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update: *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (hereafter the "Proposed Guidance"). Bristol-Myers Squibb Company ("BMS") is a U.S. based Fortune 500 global specialty biopharmaceutical company with total revenues of \$19.4 billion in 2016 and total assets of \$33.7 billion as of December 31, 2016.

We highly support the objective to reduce the diversity in practice and improve the comparability of financial information with respect to contributions received and contributions made. Specifically, we believe the Proposed ASU will improve financial reporting as it will:

- Provide a more robust framework to determine when a transaction should be accounted for as a contribution or as an exchange transaction accounted for under other guidance.
- Provide improved guidance for determining whether a contribution is conditional or unconditional.
- Remove the judgmental assessment of the probability of occurrence whether the likelihood of failing to meet a condition is remote or not which will decrease subjectivity and provide more consistent judgments.

Our only significant concern is how quickly it is anticipated to be effective for public companies given the comment period ends on 11/1/2017. We would assume alignment with the effective date of the proposed amendments with ASC 606 *Revenue from Contracts with Customers* (i.e. 1/1/2018), but this does not provide much time for public registrants to prepare for adoption of the Proposed Guidance.

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

**Question 1: Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?**

Yes, we believe that the amendments in this proposed Update will be operable in practice. The guidance for distinguishing the transaction between a contribution and an exchange transaction is clarified. However, we believe expanded illustrative examples for what constitutes a barrier in an agreement to be considered a conditional contribution in paragraph 958-605-25-5C would ensure greater consistency in application of the guidance and minimize diversity in practice.

**Question 2: Would the proposed amendments clarify whether a resource provider is receiving commensurate value in return for assets transferred and when a transaction is within the scope of Subtopic 958-605? If not, why not?**

Yes, we believe the proposed amendments will clarify whether a resource provider is receiving commensurate value. The clarification provided in paragraphs 958-605-15-5A illustrates that indirect benefit to the general public that results from assets that the resource provider transfers would not indicate that a resource provider receives value. Furthermore, the amendments clarify that the benefit the resource provider gains by executing its mission or positive sentiment would not constitute commensurate value. These clarifications are helpful to preparers.

**Question 3: Should the definition of the term donor-imposed condition include both (a) a barrier that must be overcome and (b) a right of return of the assets transferred or a right of release of the promisor from its obligation to transfer assets? If not, why not?**

We believe that the criteria for the donor-imposed condition would help entities to distinguish between unconditional and conditional contributions. The emphasis on a right of return or release from obligation and a barrier to entitlement will decrease the subjectivity in determining if a contribution includes a donor-imposed condition or not. Furthermore, we believe that the removal of the judgmental assessment of the probability of occurrence whether the likelihood of failing to meet a donor-imposed condition is remote or not in the Proposed Guidance will decrease subjectivity and provide more consistent judgments.

**Question 4: Does the proposed table of indicators to describe a barrier provide useful guidance that will allow for the application of appropriate judgment? Should no single indicator be determinative? What changes should be made, if any, to the proposed indicators?**

We believe that the table of indicators to describe a barrier is helpful in determining whether an agreement contains a barrier. We also agree that no single indicator should be determinative. Specifically, the examples 13 through 20 in paragraphs 958-605-55-70C through 70R facilitates entities to apply the guidance to practice. However, we recommend that it would be more helpful if the FASB can add more examples for the indicators in the actual table as follows:

- Stipulations that are related to the purpose of the agreement – Provide a more detailed definition for the stipulations that would constitute an indicator to determine a contribution is conditional. In practice, particularly when an entity receives assets with certain stipulations but without a specific return policy for when the stipulations aren't met, it is more difficult for companies to distinguish between conditional and unconditional contributions. Therefore, it would be helpful if detailed examples were provided.

- Limited Discretion by the Recipient – Provide an example to illustrate whether a discretion is limited or broad. It would decrease subjectivity and produce more consistent judgements from preparers.

**Question 5: Should the proposed amendments about distinguishing between conditional contributions and unconditional contributions be applied equally to both the recipient and the resource provider?**

We believe it is appropriate to apply the same standards about distinguishing between conditional contributions and unconditional contributions to both the recipient and the resource provider, which we believe would be consistent with the underlying principles of US GAAP.

**Question 6: Should certain other terms and/or their definitions be clarified (for example, *contribution* or *donor-imposed restriction*)? If yes, list which term(s) and/or definition(s) should be clarified, why they should be clarified, and any recommended changes.**

We recommend adding a clarified definition for Donor-Imposed restrictions. Based on the current proposed amendment, judgement is required to distinguish between a condition stipulated by a donor and a restriction imposed by a donor. It is crucial to provide preparers with the clarification between a Donor-Imposed condition and a Donor-Imposed restriction to determine whether the contribution is conditional or unconditional.

**Question 7: Should current recurring disclosure requirements be amended for either a recipient or a resource provider? Should new disclosure requirements be added? If yes, what amendment(s) and/or addition(s) do you recommend? Please explain why.**

We agree that current recurring disclosure requirements under ASC 450 and ASC 470 provide users with sufficient information.

**Question 8: Would the proposed transition requirements be operable, and would they provide decision-useful information? If not, please explain why and what you would recommend. Would modified prospective application be more operable than prospective application? If not, why not?**

We believe the proposed transition requirements would be operable. And we support the prospective application as it may be sufficient for investors if impacts are not very material. Although it might require more risk in the year of adoption, we agree that it is not necessary to take a retrospective approach to state the cumulative effect of applying the new standard as of the beginning of the first historical period prepared. Furthermore, we agree that it is more beneficial for preparers to adopt a modified prospective approach, as preparers are not required to perform an assessment of whether existing agreements are modified or not after the effective date of the amendment.

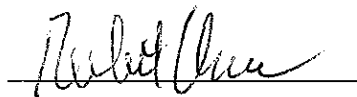
**Question 9: Should the effective date of the proposed amendments be the same as the effective date of Topic 606? Should early adoption of the proposed amendments be permitted?**

We believe that the effective date of the proposed amendments should align with that of Topic 606 as entities would need to align with the recognition of conditional and unconditional contributions when applying the guidance in Subtopic 958-605. Under the guidance, the subtopic requires an entity to determine if a transaction is conditional or unconditional, and that affects the timing of revenue recognition. Therefore, in our opinion, it's appropriate that the effective date of the proposed amendments should be the same as the effective date of Topic 606 which is 1/1/2018 for public

companies like BMS. We also believe that early adoption should be permitted as it may improve the transition process. However, it may be challenging companies to perform the qualitative assessment for the disclosure about the significant changes between reported results under the amendments in the Proposed Guidance and those under current guidance by the 1/1/2018 effective date of Topic 606 given the comment period for the proposed amendment ends on 11/1/2017.

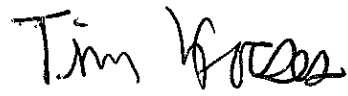
We greatly appreciate your consideration of our comments and invite you to contact us if you have any further questions regarding our above comments on the Proposed Guidance.

Sincerely,



Robert Owens

*Vice President & Head of Accounting*



Tim Kocses

*Director, Corporate Technical Accounting*