



Eli Lilly and Company
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November 23, 2021

Hillary H. Salo
Technical Director
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2021-005

Dear Ms. Salo:

Eli Lilly and Company (“Lilly”) appreciates the opportunity to comment on the Financial Accounting Standards Board’s (“FASB’s”) Proposed Accounting Standards Update, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* (the “proposed ASU”). Lilly is a publicly traded multinational pharmaceutical company with global operations.

Lilly welcomes the FASB’s continued efforts to improve upon existing accounting standards, inclusive of this proposed ASU. We believe the proposed ASU effectively clarifies the guidance in Topic 820 and will reduce diversity in practice when measuring at fair value those equity securities subject to contractual sale restrictions. We agree with the Board’s position that incorporating a discount tied to an equity security’s contractual restriction on sale is inconsistent with the unit of account in Topic 820 (the unit of account being the equity security). Such a discount reflects a characteristic tied to the reporting entity holding the equity security as opposed to being a characteristic of the equity security itself.

We appreciate the opportunity to express our view regarding the proposed ASU. If you have any questions regarding our response, or would like to discuss our comments further, please call me at (317) 651-2310.

Sincerely,

ELI LILLY AND COMPANY

/s/Donald A. Zakrowski

Donald A. Zakrowski
Vice President, Finance and Chief Accounting Officer