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December 7, 2015

Mr. Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Subject: File No. S7-20-15, Request for Comment on the Effectiveness of Financial Disclosures About Entities Other Than the Registrant

Dear Mr. Fields:

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 initiative by the Commission to review the effectiveness of financial disclosure requirements in Regulation S-X about entities other than the registrant. Below are our responses to certain questions in the request for comment that more directly impact Pfizer:

Questions for Respondents

Question 3: Are there challenges that registrants face in preparing and providing the required disclosures? If so, what are the challenges? Are there changes to these requirements we should consider to address those challenges? If so, what changes and how would those changes affect investors' ability to make informed decisions?

Registrants usually face challenges preparing and providing disclosures required by Rule 3-05 when the business being acquired was previously part of another entity, but not accounted for separately by that entity and therefore require carve-out financial statements. Carve-out financial statements include many judgments in allocations and while made on a reasonable basis, they do not reflect how a standalone entity would appear. Most often, the carved out entity's cost structure will significantly change. We therefore believe that three years of financials have very limited usefulness to an investor, as there is no real discernable cost trend or, the trend may also be misleading based on other elements that occur over those years in the selling entity. For example, if revenue is being used as a driver to allocate certain costs and another business in the selling entity has a decline in revenues without a decline in cost structure, the carved out entity must include a higher allocation, which while appropriate for the carve-out is not very meaningful to an investor's understanding of the operations of the entity nor is it decision-useful to an investor trying to understand what the entity would look like on a stand-alone basis. We believe that two years of financials are sufficient for investors to understand what is being purchased.

Question 5: How could we improve the usefulness of the Pro Forma Information? Could we do so by changing the extent of information required and/or the methodologies used to prepare it? For example, should we add a requirement for comparative pro forma income statements of the prior year and/or modify the restrictions on pro forma adjustments? If so, what changes should be made and should auditors have any level of involvement with the information? Are there disclosures we should consider adding to the Pro Forma Information that are currently found only in the Rule 3-05 Financial Statements?

We believe differences in the SEC and the U.S. GAAP pro forma rules create unnecessary confusion and should be aligned. For instance, under the SEC pro forma rules, nonrecurring charges or credits associated with the transaction for which pro forma financial information is presented are not allowed to be included in the pro forma operating results; however, under the U.S. GAAP rules, nonrecurring charges or credits are required to be included in the pro forma operating results. Such a difference in methodology will result in different pro forma operating results for the same transaction when pro formas are prepared under the SEC rules versus the U.S. GAAP rules. We believe this is confusing to readers.

We similarly feel the differences in (i) the periods to present pro forma operating results should be conformed, where the SEC rules require pro forma operating results for the latest fiscal year and subsequent interim period included in the filing but the U.S. GAAP rules require pro forma operating results presented for both the current and prior comparable periods; and (ii) the assumed transaction "as if" date should be conformed, where under the SEC rules, the pro forma operating results are presented as if the transaction had occurred at the beginning of the fiscal year presented whereas under the U.S. GAAP rules when presenting comparative financial statements, the pro forma operating results are presented as if the transaction occurred at the beginning of the comparable prior annual reporting period. We would like to see the Commission and the FASB address these inconsistencies.

We believe pro forma operating results for a transaction in any given period should be the same under both SEC and U.S. GAAP pro forma rules. To the extent that is not the case, we view it to be an unnecessary distraction and a source of confusion to preparers and users alike.

While not required to be audited by independent auditors, pro forma information is often included in filings for which independent auditors are required to perform some level of oversight for all the financial information, including the pro forma financial information. We consider the current level of involvement in the pro forma disclosures by independent auditors to be sufficient and, considering that pro forma adjustments are often based on preliminary or imperfect information, we do not see any meaningful benefit that would come from requiring pro forma information to be audited.

Question 7: Should we modify the amount of time registrants have to provide disclosures about acquired businesses to investors? If so, under what circumstances and how? If not, why?

We believe the current time allowed for registrants to fulfill the financial reporting requirements, including pro forma disclosures, associated with acquired businesses continues to be necessary and should not be reduced. Although registrants may have some data for an acquired company soon after the acquisition closes, the complexities in how we are required to value acquired assets and liabilities, including the use of fair value, require considerable time to address in order to develop meaningful disclosures.

Question 56: Currently, financial disclosures related to entities other than a registrant are filed in XBRL format to the extent that they are part of the registrant's financial statements. Other disclosures, such as the separate financial statements of entities other than the registrant and Pro Forma Financial Information are not required to be presented in a structured, machine-readable format. Would investors benefit from having all of the disclosures related to these entities made in an interactive data format? Would it depend on the nature of the information being disclosed (e.g., disclosure related to a one-time transaction such as an acquisition or an ongoing disclosure related to an Investee)? What would be the cost to registrants?

Question 57: In what other ways could we utilize technology to further facilitate the disclosure of useful information to investors or address challenges faced by investors and registrants?

Pfizer is a SEC registrant who has integrated XBRL into its external financial reporting process. Rather than applying XBRL solely as metadata to the filed financial statement disclosures, we include XBRL concepts early in our financial reporting process to increase data accuracy and efficiency. We believe this gives us a unique perspective to comment on questions 56 and 57.

We believe tagging fact values with XBRL concepts when they are queried from our system is a value added step when applied early in our financial reporting process. It allows us to validate our financial information based on XBRL calculation assertions. It also allows us to accurately and efficiently render the XBRL data into financial reports. However, separate financial statements are usually provided with a special purpose in mind and while they have fact values that could be tagged, these fact values often come from information outside our financial systems rather than directly sourced from our systems. Consequently, applying XBRL concepts to these fact values doesn't provide us with the same XBRL integration benefits. Also, we do not believe that such separate financial information would be meaningful when compared to financial statements based solely on the standalone operations of an entity. As such, we do not see an immediate benefit for tagging the fact values of separate financial statements that are not sourced directly from our system.

However, should the Commission consider requiring special purpose financial information to be provided in a structured, machine-readable format (XBRL), we recommend the Commission avoid imposing certain of the existing machine-readable filing requirements that we believe result in unnecessary duplication. In our view, current SEC requirements to use the XBRL format for filing the registrant's financial statements and notes result in duplication by requiring registrants to:

- file financial statements and notes both in HTML (Edgar) format and XBRL format; and
- apply block tagging (level 1), table text block tagging (level 3) and detailed tagging (level 4).

As a result, data points are filed multiple times. In fact, users of the filed XBRL instance file could simply render the level 4 data points into financial statement information. We believe this type of duplication is not beneficial to investors or registrants.

We further experience that block tagging (level 1) and table text block tagging (level 3) hinders us as a registrant to completely integrate XBRL in our external financial reporting process. Given that we are required to utilize XBRL, we are a proponent of integrating XBRL as we can see how our current integration of detailed tagging (level 4) benefits our reporting process in terms of accuracy and efficiency. By design, block tagging (level 1) and table text block tagging (level 3) requirements can only be met through assignment of metadata to already fully-populated financial statement disclosures. We urge the Commission to support and promote an XBRL integrated approach and believe the currently required bolt-on level 1 and level 3 tagging is counterproductive for automated data accuracy and efficiency improvement with XBRL as the preferred data format.

We appreciate the opportunity to provide our comments on the effectiveness of financial disclosures about entities other than the registrant (file number S7-20-15). We would be happy to discuss our comments with you further or to meet with you if it would be helpful.

Loretta Cangialosi

Loretta V. Cangialosi
Senior Vice President and Controller

cc: Frank D'Amelio
Executive Vice President and Chief Financial Officer