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Technical Director
File Reference No. 2017-210
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: Proposed Accounting Standards Update, *Inventory (Topic 330) Disclosure Framework – Changes to the Disclosure Requirements for Inventory*

Dear Technical Director:

Thank you for the opportunity to respond to the Exposure Draft *Inventory (Topic 330) Disclosure Framework – Changes to the Disclosure Requirements for Inventory (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 improve the effectiveness of disclosures related to inventory in the notes to the financial statements.

The following are our responses to the questions posed in the Exposure Draft which are applicable to BMS

<u>Question 1:</u> Would the amendments in this proposed Update result in more effective, decision-useful information about inventory? Please explain why or why not.

We believe the proposed amendments would result in more effective, decision-useful information about inventory within an organization.

<u>Question 2:</u> Are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability concerns and why?

We believe the proposed disclosure requirements are operable and auditable.

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

We do not believe the proposed disclosures will require significant incremental costs provided however that the materiality reference is retained and a rollforward is not required.

__Question 4:__ **Paragraph 330-10-50-7 proposes a requirement to disclose certain specific changes in the inventory balance. Is this requirement sufficiently operable? Why or why not? Would a requirement to include a rollforward of inventory impose significantly greater costs? If so, please describe the nature and extent of the additional costs. Would the informational benefit of a rollforward be sufficient to justify the additional costs? Are there other ways to provide users with this information without imposing significant incremental costs, and, if so, what are they?**

We believe disclosing certain material changes will be sufficiently operable. It is important to include materiality considerations that are in line with other disclosure effectiveness efforts by the board. Further, as noted in Question 3 above, the requirement to include a detailed rollforward of inventory changes each reporting period would impose significant incremental costs to preparers. Additionally, it would be very difficult to have one standard rollforward approach that addresses the needs of financial statement users across a broad set of industries, including the pharmaceutical and life science industry. As such, we believe a more prudent approach would be to require the disclosure of only certain specific changes in the inventory balance that management believes are significant or material and are not already disclosed elsewhere in our financial statements as part of another disclosure (i.e. acquisition or divestiture disclosures). Rollforward requirements are typically not required for many balance sheet line items and will add significant costs and efforts to collect, review and audit information in a standard format which may not be cost justified.

__Question 6:__ **Paragraph 330-10-50-11 proposes a requirement to disclose a qualitative description of types of costs that an entity capitalizes into inventory. Would this requirement provide useful information to users?**

We believe this requirement would be useful information for comparability between companies or organizations.

__Question 8:__ **Are there any other disclosures that should be required by Topic 330 on the basis of the proposed Concepts Statement or for other reasons? Please explain why.**

We believe the requirements outlined in this Exposure Draft are sufficient.

__Question 9:__ **Should the proposed disclosures be required only for the fiscal year in which the requirements are effective and years after that fiscal year, or should prior periods be restated in the year in which the requirements are effective? Please explain why.**

We believe the requirement should be applicable for the fiscal year it is effective and years after that fiscal year. Entities may have to modify their systems and reporting to obtain data that meets the requirements of this change.

__Question 10:__ **How much time would be needed to implement the proposed amendments? Should the amount of time needed to implement the proposed amendments by entities other**

than public business entities be different from the amount of time needed by public business entities? Should early adoption be permitted? Please explain why.

We believe the time needed to implement the proposed amendments will depend on the geographic footprint, size of an organization, relative importance of inventory and will vary by industry. As a result, a minimum of one year for implementation should be considered. Early adoption should be permitted as the proposed amendments only increase transparency around inventory and improve disclosures.

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