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Technical Director  
File Reference No. 2021-007  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Subject: File Reference No. 2021-007 Proposed Accounting Standards Update –  
Liabilities – Supplier Finance Programs (Subtopic 405-50), Disclosure of Supplier  
Finance Program Obligations

Dear Technical Director:

Pfizer Inc. is a research-based, global biopharmaceutical company headquartered in New York. We discover, develop, manufacture, market, sell and distribute innovative healthcare medicines and vaccines worldwide. In 2021, we reported revenues of \$81 billion, pre-tax income from continuing operations of \$24 billion and total assets of \$181 billion.

Pfizer supports the Board's efforts to enhance transparency with regards to supplier finance programs. We recognize that there are no explicit disclosure requirements for these programs currently in U.S. GAAP and the proposed ASU would improve financial reporting by requiring new disclosures about the programs.

#### Disclosure Requirements

We believe the proposed Update should require a buyer in a supplier finance program to disclose sufficient information about the program to allow a user of the financial statements to understand the effects of the program on the entity's working capital, liquidity, and cash flows. We also believe the extent of disclosures should depend on the facts and circumstances. We understand that supplier finance programs can be used as a means to manage working capital. When the program is used in this manner, more robust disclosures should be required. However, many supplier finance programs have no financial impact on a company's financial statements as the company and its suppliers agree on terms for the goods and services purchased, including price and payment terms regardless of whether the supplier elects to participate in the program. When the supplier finance program has no financial impact on a company's working capital, liquidity, and cash flows, for reasons mentioned above, we believe disclosures should be limited to qualitative type of

information, such as the key terms of the program and where those obligations are presented in the balance sheet.

We believe disclosing a rollforward of the obligations that are eligible to participate in a supplier financing program would create unnecessary work and related costs and would not result in decision-useful information to investors. Supply finance programs typically are offered to certain vendors, so any information presented in a rollforward only represents a subset of total accounts payable and may not represent actual activity under the program (i.e., early payments to the participating vendors from the finance providers). Currently, there is no accounts payable rollforward disclosure requirement, so to mandate a rollforward for a subset of the total balance may create confusion and would not result in useful information.

#### Disclosure Frequency

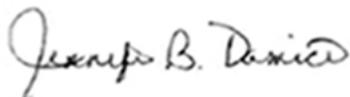
We agree with the Board's decision not to require that the buyer in a program disclose the rollforward and the outstanding confirmed amount at interim periods. We agree with the view that interim period financial statements are an update to the information in the most recent annual statements and notes should be limited to convey new information or information about significant changes. Accordingly, we believe a registrant should be required to provide quantitative disclosures only in an interim reporting period when a significant event or transaction related to the programs has occurred that has a material effect on the entity.

#### Implementation

We disagree that the amendments in this proposed Update should be applied on a retrospective basis for each period in which a balance sheet is presented. A retrospective transition would create an unnecessary burden to gather data for the rollforward that is not readily available and would require volumes of data to be recreated manually and then subject to audit for both financial reporting and internal controls. We believe the amendments in this proposed Update should be applied prospectively.

We appreciate the Board's solicitation of input and the opportunity to provide feedback on the proposed Update and would be pleased to discuss our perspectives on these issues with you at any time.

Sincerely,



Jennifer B. Damico  
Senior Vice President and Controller

Cc: Frank A. D'Amelio  
Executive Vice President and Chief Financial Officer