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Loretta Cangialosi
Vice President and Controller

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Ms. Andrea Pryde
International Accounting Standards Board
30 Cannon Street
London EC4M 6XH
United Kingdom

Subject: Strengthening the IASB's Deliberative Processes

Dear Ms. Pryde:

Pfizer is a research-based, global pharmaceutical company with its principal place of business in New York, USA. We discover, develop, manufacture and market leading prescription medicines for humans and animals and many of the world's best-known consumer products. The Company's 2003 total revenues were \$45.2 billion and its assets were \$116.8 billion. We appreciate the opportunity to respond to the request for comment on the IASB's Consultation Paper entitled *Strengthening the IASB's Deliberative Processes* ("Paper"), as we are extremely committed to the success of the IASB and its objectives.

We applaud the IASB for their achievements to date in conducting its internal review of its own due process as well as implementing several improvements. As the focus of this review has been on improving the transparency and accessibility of its processes, the result will certainly enhance the public's confidence in the IASB's procedures as well as increase constituent participation in standard-setting. The IASB should also consider simultaneously, while implementing these changes, developing an advertising campaign targeting its constituents to create an awareness of the changes the IASB is initiating. As noted in the Paper, many of the procedures contemplated draw upon the best practices of national standard-setters, while balancing these against the need for timely decision making in a rapidly changing environment and increasingly complex financial market. Striking the appropriate balance between these sometimes conflicting ideals can be challenging.

The IASB's focus has been on the following matters:

- the accessibility and transparency of the IASB's deliberative process
- the IASB's responsiveness to constituents' comments
- the extent of consultation before releasing proposals and standards.

While notable advances have been achieved, we would like to convey certain additional enhancements for consideration.

The Accessibility and Transparency of the IASB's Deliberative Process

In addition to the items detailed in the Paper, the IASB should also develop a process to ensure that Project Summaries posted to the website are comprehensive and updated on a timely basis with the IASB's decisions. As these have historically not been maintained currently, effective use of these summaries has been curtailed. Further, minutes should be

published summarizing the discussions at the associated meetings detailing the rationale for decisions as well as which Board members agreed on specific issues. The current updates, while beneficial as they specify decisions made, do not provide sufficient detail to fully understand the foundation and motivation for such views.

We believe the steps that have been and will be implemented by the IASB will greatly increase accessibility and transparency of the IASB's deliberative process. In particular, broadcasting the meetings over the internet, expanding the observer notes, and posting comment letters to the website on a "real time" basis, will afford constituents the opportunity to thoroughly review the IASB's activities more timely. Additionally, these enhancements will allow companies to more effectively monitor the issues the IASB is addressing as well as have a better understanding of the Board's rationale for such decisions.

The Extent of Consultation Before Releasing Proposals and Standards.

Consultation outside of the IASB is essential to ensure that standards are embraced by constituents and that all implementation issues are addressed *prior to issuance*. If, however, the IASB determines that public hearings and field-testing are not appropriate, the motivation for such determination should be conveyed to the public. It should be part of the formalized process. Obviously these changes will expand the time required to release a standard; however, we believe this additional time is necessary to ensure the operational viability of a standard.

We agree that more intensive use of steering committees/working parties/advisory groups is needed. Formalization of the use of these groups in addition to the announcement of membership will also boost the transparency and accessibility of the process. Public hearings and field-testing are also critical to the process, especially given the complexity of the issues currently being addressed by the IASB and the tremendous challenges faced by constituents implementing such changes.

Once again, we commend the IASB for the open forum they are utilizing in this initiative. We encourage the IASB to continue to engage its constituents to refine its procedures in order to insure the consensus and support of all interested parties. If requested, we would be pleased to discuss our observations with you at any time.

Very truly yours,

Loretta V. Cangialosi

Loretta V. Cangialosi
Vice President and Controller

cc: David L. Shedlarz
Executive Vice President and Chief Financial Officer