Pfizer Inc.
235 East 42nd Street
New York, NY 10017-5755

April 20, 2009

Elizabeth M. Murphy
Securities Exchange Commission
100 F Street, NE.
Washington, DC 20549-1090

Subject: Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

File No. S7-27-08

Dear Ms. Murphy:

Pfizer Inc. is a research-based, global pharmaceutical company. We discover, develop, manufacture and market leading prescription medicines for humans and animals. In 2008, we reported revenues of $48 billion and total assets of $111 billion.

On behalf of Pfizer, we ask the SEC to consider the following comments with respect to the recently proposed IFRS roadmap. While we support the SEC's view that there should be a high quality global accounting standard framework, we have concerns that current proposal is unlikely to achieve that result. The proposal currently provides a future date when a mandated decision will occur with projected dates of conversion but does not provide a definitive deadline.

Given the current economic environment, our company, like others, is looking at investing its resources in projects that result in a high return on investment (something our investors look for us to do as well). Without a final deadline, it is difficult to determine whether the investment is likely to have any return. We also believe that a lack of clarity around definitive conversion times makes it difficult for companies to effectively plan for conversion as companies must now guess what might happen in the future. For example, companies may decide to delay their planning initiative and then need to spend heavily to catch up resulting in an ineffective and costly conversion. Conversely, other firms may invest heavily in the near term only to find that a conversion is not required resulting in lost opportunity for working capital to be utilized in its operations. We do not believe it is appropriate for companies to be investing cash to gamble on a potential future outcome of which set of accounting standards they will need to comply with in the future. Further, we do not believe that many companies will step forward to voluntarily make a change when there is so much uncertainty as to the permanency of the change.

We understand that global standards are a likely eventuality, but we are also equally frustrated that despite the convergence efforts, the 19 members of the FASB and IASB have been unable to resolve the differences and, in fact, have actually created new GAAP during the period resulting in added differences. Because agreement by these 19 members would result in a global reporting framework without the substantial costs and potential risks that will result from a forced conversion involving thousands of companies and investors, we favor a convergence path versus conversion.

As the SEC is responsible for appointing the principle standard setter, only the SEC is in a position to influence the current direction of the FASB. We share in the mission of ensuring that meaningful financial and other information is provided to the investing public, but not with the extraordinary utilization of time and resources that will produce few benefits to companies and questionable benefits for investors. However, should the SEC determine that convergence is unworkable due to the varying agendas and overall environment of IASB and the FASB, then specific deadlines would be needed for a conversion plan put forth so that companies can allocate the necessary resources to enable the transition and begin with enough time to complete all the various accounting policy changes, IT system changes, SOX control installation for new processes introduced and retraining necessary around the world.

<u>IFRS Conversion Concerns</u>

We believe major obstacles exist in converting to international accounting standards. Some detailed concerns are as follows:

- <u>Authoritative bodies continue to issue guidance with alternative objectives</u>– While the FASB is working on projects to reduce the differences between its pronouncements and the IASB, it is also working on a project to improve the quality of those existing standards. As long as the two governing bodies alter their existing standards there will continue to be divergence between the two frameworks. The proposed roadmap does not address the requirement for a moratorium on the issuance of new or revised standards in either governing board. All new accounting pronouncements should be jointly issued from both governing boards as converged standards. See also comments below in section called "FASB/IASB Convergence." Companies attempting to convert under this model are forever chasing a moving target and having to keep two sets of books under constantly changing standards resulting in duplicative costs.

- <u>Inability for certain IFRS requirements to be applied in the United States</u> – The current IFRS standard on contingent liabilities requires disclosures on information that if revealed under our current tort system could be detrimental to the outcome on pending litigation. These types of challenges should be compiled, plan of action to resolve documented and a deadline for final pronouncements in these areas should be included in the roadmap.

- <u>Resources required for conversion could be substantial</u> – We view our consolidated financial statements as a required, but also important, communication device between us and our constituents – current investors, potential investors, debt holders and regulators. While we support the concept of high-quality global accounting framework, we are compelled to recognize that all companies have finite resources available to them. In considering the cost/benefit of conversion, we observe that those resources would have to be diverted from a company's core business.

  Besides the significant cash costs needed, conversion could result in significant opportunity costs in time and resources diverted from the operating growth of a company with no identifiable return on the investment. This condition takes on even more importance in the current economic environment as many companies are simply seeking to achieve positive returns. A conversion would require the implementation of new or updated accounting systems which would represent a significant one-time cash cost as most companies do not have the internal bandwidth to perform such operations. In addition, many global companies operate on multiple systems and platforms, all of which would need to be reworked to collect the appropriate data. Also, the revision and creation of internal control SOX procedures, accounting policies and financial statement formats that comply with IFRS will most likely require the utilization of outside specialists and consultants. Training employees on the concepts and application of IFRS will be required. There is also the possibility of recurring costs after IFRS conversion relating to challenges of applying certain concepts to the U.S. operating environment.

- Insufficient amount of time to execute conversion effort – If a conversion is mandated in 2011, then large accelerated filers such as Pfizer will be required to begin reporting IFRS financial statements in 2014. Since the SEC requires 3 years of comparative data the actual requirement will be for fiscal years beginning in 2012. Companies will most likely not expend a significant amount of resources over the next three years on a project that may not come to fruition. Therefore a majority of the IFRS conversion effort will occur in a two year period prior to the effective date consisting of planning, consultation, testing, training and implementation in addition to completion of accounting and reporting requirements of US GAAP. The outcome of this strained work effort will not provide for an optimal financial reporting structure and may, in fact, drive increased potential for errors and substantial recurring costs for remediation and compliance. If the SEC determines that convergence is untenable, then we ask that the SEC consider providing a long enough timeline to allow global companies to plan and coordinate the work in an orderly manner so that it can be properly audited. We believe that the current SEC request for three years of comparable data drives a longer timeline than that needed by Europe or other countries that have chosen convergence as they only requested one year of comparable data. As such, we believe that a 5-year timeframe is needed for convergence. Although we have heard members of Big 4 accounting firms state that companies could take a spreadsheet approach to the back years without having the needed systems in place, our discussions with our auditors leads us to believe that the level of documentation that they will need to complete their audit will warrant a more complex approach. The approach used by European companies will likely not be appropriate given the various SOX requirements we need to fulfill.

FASB/IASB Convergence

A convergence of the standards developed by the FASB and IASB will avoid the issues that will be created by a conversion and is the path that is most likely to result in a high quality and workable global framework. We believe that for the thousands of companies and investors impacted convergence is the least disruptive, most cost effective method of achieving a global framework that is both robust and of high-quality. And, we believe that the SEC has a significant role to play in that it is one of the few institutions that can *compel* the two standard-setters to reach consensus. The inability of these two boards to reach agreement, even on multi-year joint projects, has prolonged the uncertainty and inconsistency with both preparers and users. If the SEC believes that it is unable to make convergence work, then the decision is either to continue with US GAAP and risk being the only large country not on IFRS or utilize conversion along an extended, definitive timeframe. We do not have data to be able to accurately analyze the impact of staying with US GAAP while other developed countries are on IFRS, but it would seem to be detrimental to a fully free flowing global capital market.

As standards are converged, companies will have adequate time to revise policies, implement concepts and integrate requirements into its reporting systems. Also, we believe that this will enhance the ability of others, such as auditors, regulators and educators, to absorb the changes in a disciplined manner. As issues occur in implementing proposed changes, the two boards, preparers, auditors and regulators across the globe will have the opportunity to debate and conclude on uniform pronouncements that can be applied to all constituents while minimizing the cost of system revisions and extensive use of outside specialists. Under convergence, we suggest there still be a deadline for the standard setters or convergence will take far too long. Convergence will also eliminate the need to educate the investor on how to interpret a principled based method of accounting and will ease any concerns on the validity of financial information.

Final Comments

If convergence is not the chosen path, then we believe there should be at least a five year window between the issuance date of a definitive roadmap conversion standard and its effective date of compliance. Since the SEC requires three years of comparative information this proposed time period will allow for two years of planning, testing and consultation in order to prepare to deliver three years of financial information on the effective date. This should provide ample time to revise the strategy and related execution in completing the new reporting requirements should the original planned procedures prove inadequate.

Also, at the time of issuance of a conversion roadmap pronouncement there should be a moratorium on the creation of accounting standards that conflict with the IFRS framework. Any divergence from the new framework will require additional costs and workload in complying with a set of standards that will eventually cease to exist and therefore no longer add value to the company or the investor community. For example, business deals will be negotiated under the premise that the two separate accounting frameworks could yield different operational results depending on its application within the accounting rules.

We appreciate this opportunity to comment and encourage the SEC to continue to engage its constituents. If requested, we would be pleased to discuss our comments with you at any time.

Sincerely,

/s/ Loretta Cangialosi

Loretta V. Cangialosi
Senior Vice President and Controller

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