THE BANK OF NEW YORK MELLON

One Wall Street, New York, N.Y. 10286

April 20, 2009

Ms. Florence Harmon
Acting Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File Number S7-27-08 - Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers

Dear Ms. Harmon:

The Bank of New York Mellon, Inc. (the "Company"), a global financial institution with over $230 billion of assets, is pleased to provide comments on the Securities and Exchange Commission's (the "Commission") proposed roadmap (the "Roadmap") for the potential use of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) by U.S. Issuers. We are very supportive of the Commission's consideration of IFRS in the United States as we believe these principles based standards will assist the global capital markets and help keep U.S. corporations competitive.

IFRS have been broadly accepted in each continent and have been operational for several years in some of the largest capital markets outside of the United States. We believe that because IFRS has the greatest potential to become the global standard of accounting, it is in the interests of U.S. investors, U.S. issuers and U.S. markets to mandate reporting using IFRS in the United States as well. It is critical that there not exist dual accounting standards in the United States and we agree that to have such would create challenges in the U.S. capital markets, such as comparability for investors and other users of financial information and professional competence of auditors.

The Benefits of IFRS for US Issuers

IFRS is widely acknowledged as a high quality set of accounting standards and the SEC is already allowing many foreign issuers to file using IFRS in the US. A recent Harvard Business School paper, *Market Reaction to the Adoption of IFRS in Europe*, which studied the European stock market reaction to sixteen events associated with the adoption of IFRS in Europe concluded "Overall, the findings suggest that investors in European firms perceived net benefits associated with IFRS adoption."[1] We are sure that this demonstrated success in Europe has been studied closely by the Commission and, along with the Commission's present acceptance of IFRS filings by certain foreign filers in the U.S., there should be sufficient evidence that IFRS is already a success not requiring further intense study.

As a global financial institution, which has operations and legal entities on each continent, we have already adopted IFRS for certain of our statutory filing entities in IFRS countries. Further adoptions for local statutory filing purposes are being planned or are underway. We expect to have opportunities to achieve consistency in our financial reporting and in our training of our personnel from, ultimately, a global adoption of IFRS. We expect to achieve efficiencies in the preparation and production of our financial reports within our finance division at all of our global locations. The finance division and all of the impacted businesses, operations and technology departments will therefore benefit from the utilization of a consistent set of IFRS reporting principles once IFRS is adopted in all of the countries where we operate, including the United States.

Under the rules-based US GAAP accounting pronouncements, there have been many concerns that the very existence of the detailed rules has provided opportunities to structure transactions to achieve a particular accounting result. By following the principles based standards in IFRS, the accounting for complex transactions will not be as prone to accounting arbitrage between the written rules and be more representative of the true economics of the transactions.

The benefits from IFRS will be measured both in terms of its quantitative impact on financial statements and in terms of its vast qualitative benefits in restoring investor's confidence in financial reporting that presents a more true and fair view of an enterprise's financial results and financial position. The presentation and disclosures under IFRS will ensure that the true picture is presented each reporting period and this will reflect sound reasoned judgments by preparers and their auditors that are more closely based on the underlying principles of IFRS.

Adoption of Principles Based Standards

We are conscious of the need for discipline in ensuring that, over time, IFRS standards remain principles based and are not "undermined by a myriad of interpretations leading to a rules-based system."[2] The preservation of IFRS, even as they are further developed over the coming years, as fundamentally principles based is vitally important and this necessarily would require a fuller appreciation of the exercise of sound professional judgment by preparers and auditors and by each of the institutions and regulatory bodies responsible for maintaining the integrity of IFRS.

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[1] Harvard Business School – Market Reaction to the Adoption of IFRS in Europe. Christopher S. Armstrong, Mary E. Barth, Alan D. Jagolinzer, Edward J. Reidl (September 2008)

[2] Speech to Institute of Chartered Accountants in England and Wales by Charlie McCreevy – European Union Commissioner – (Brussels, April 5, 2005)

Because the body of US GAAP accounting literature is so vast (some have estimated over 20,000 pages), to retain any portion of it would only encourage a reversion to the rules-based system of accounting. The full text of IFRS, including interpretations and the glossary, table of contents and index is only slightly over 2,500 pages[3]. We need to allow professional accountants to exercise sound and consistent judgments in areas where interpretation of written principles are needed.

Establish Date Certain for IFRS Implementation and Allow Early Adoption

We need the SEC to set a definitive date for a full conversion from US Generally Accepted Accounting Standards to IFRS. The capital markets and preparers of financial statements need certainty as to what set of accounting principles will be required. We would like to move toward adoption of IFRS as soon as we are certain that this change will be enacted. We are primarily concerned with the risk that there may be either a delay or an indefinite deferral of the Commission's enactment of the final regulations requiring IFRS by U.S. issuers. Given the high costs of conversion, we need to be certain that we are not wasting shareholders' money by preparing to adopt IFRS.

The Roadmap contemplates that the Commission would make a decision in 2011 with regard to the mandated use of IFRS for U.S. issuers. We recommend that during this decision period, that the SEC allow all companies that want to move to adopt IFRS be permitted to do so at their convenience. There should be no requirement for a formal application to the SEC by way of a "No Action" letter procedure. This proposed 2011 date is at least two years from now and while we are eager to progress forward with the majority of our conversion steps over this period, we would need more certainty that IFRS filings by U.S. issuers will be accepted irrevocably by the Commission. The conversion costs are expected to be high, both in terms of procurement of external resources and also internal management, training, systems, finance and accounting personnel time over a two- to three- year period. An earlier decision by the Commission would provide tremendous assurance in this regard if it were made by the end of 2009. We would be more likely to move resolutely in our IFRS conversion, commencing our project this year with the knowledge that the Commission would be at least a year closer to a final decision mandating IFRS. To begin committing the extensive resources that will be required with these uncertainties would be imprudent. Any company that is ready to adopt IFRS and file its financial statements with the Commission should be permitted to do so with the knowledge that from a date certain it would be permitted by the Commission and that such a change would be irrevocable.

Foreign filers with the SEC in the US are not required to present a reconciliation between IFRS and US GAAP because such standards are considered to be of sufficiently high quality and are capable of consistent application such that acceptance of financial statements prepared in accordance with them in U.S. capital markets would meet investor needs. Observers have noted

[3] International Financial Reporting Standards including International Accounting Standards and Interpretations as at 1 January 2007. – International Accounting Standards Board

that prior to the SEC's decision to no longer require it, the reconciliation to US GAAP was not analyzed or otherwise incorporated into analyst's forecasts or financial statement analyses prepared by sophisticated users of financial statements. We therefore believe that no reconciliation should be required for US issuers who file under IFRS with the SEC so long as foreign filers are also not required to do so. To maintain a reconciliation requirement would place an undue burden on financial statement preparers, who effectively would need to maintain two sets of books for that purpose. This would serve as a detractor from issuers being inclined to adopt IFRS.

Milestones

The milestones in Section III.A. have been drafted by the Commission to comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission. We are strong advocates for a measured and deliberate approach to the U.S.'s acceptance of IFRS as the only globally accepted principles based financial reporting standards in the world. Each of the milestones need to be considered by the Commission as it makes its final decision whether to mandate IFRS for U.S. issuers and we believe none of them present insurmountable hurdles towards a fairly rapid decision by the Commission. Each of the Commission's milestones is discussed below (we do not believe any additional milestones should be included).

Improvements in Accounting Standards

We view IFRS to already be of sufficient high quality for adoption by companies in the United States. Accounting standards in the U.S. are now rules-driven and are disconnected from their core underlying principles. US GAAP is not better than IFRS because US GAAP has become irrelevant to many users who appear to largely base their decisions on Non-GAAP measures that are reported on a supplemental basis. Highly complex areas of accounting have emerged in the U.S. over the past 30 years that require deep accounting expertise to ensure compliance with the "rules". To name a few, these would include Leases, Derivatives and Hedging, Pensions, Impairment, Revenue Recognition, and Variable Interest Entities. Each of these areas of accounting have spawned arcane and rules-laden Standards, Interpretations, Implementation Guides, Q&As, FASB Staff Positions, EITFs and DIGs all requiring tremendous specialization and training to ensure that the accounting is properly applied to the given facts. The true economics of a transaction are often lost in the details during the quest for compliance, and financial statement users are not served by the structuring of transactions to meet certain rules.

What is needed now is a freeze on new accounting standards setting by the FASB and IASB. All efforts should be focused on convergence of US GAAP and IFRS. The current phase of the joint work plan is scheduled to end in 2011 and we would advocate an earlier conclusion to that plan with no additional phases. The IASB should be allowed to function as an independent standards-setting body, with representation at the board and staff level from countries around the world, including the United States.

Accountability and Funding of the IASC Foundation

We were pleased to note that a new oversight board has been formed to review the work of the trustees of the IASB and that they will be publicly accountable to this oversight board which will comprise key members of the US SEC, the International Organization of Securities Commissions, the European Commission, and the Japan Financial Services Agency.

The funding of the IASC Foundation could be increased over time as the FASB is phased out. A suitable funding mechanism that further enhances the independence of the IASB should be established. We recommend that to contribute to the funding of the IASC Foundation and ensure its independence, levies be charged to all global IFRS issuers that file their financial statements and other securities offering registration statements with a Securities Exchange.

Improvement in the Ability to Use Interactive Data for IFRS Reporting

Interactive data tagging has been an SEC initiative for some time and large accelerated filers are already in the final months of preparations for reporting in the XBRL format for US GAAP purposes as at the end of the second quarter of this year. From that experience, we see no major difficulties in making similar preparations for the filing of IFRS financial statements using the same, or similar, data tagging methodology.

Education and Training

One of the early concerns expressed from many constituencies with the possibility of IFRS standards being adopted in the U.S. was that of a perceived lack of preparedness on the education and training front. The impending decisions to be made by the SEC will be quickly followed by extensive changes to the learning curriculums in the high schools, colleges and universities to embrace the new principles-based standards. Educational institutions will rapidly adjust their courses and will embrace the opportunities to competitively set themselves apart as leaders in accounting education.

More certainty regarding the dates of permitted conversions to IFRS by US Issuers will be needed, however, before educational institutions will fully embrace IFRS in their cirricula. Without a date certain, students will not be incentivized to study a set of accounting principles that may not ultimately be adopted in the United States.

Limited Early Use of IFRS Where This Would Enhance Comparability for U.S. Investors

We strongly believe that large U.S. issuers should be permitted to adopt IFRS as soon as they are prepared to do so.

The requirement to present comparative financial information for foreign filers with the Commission under IFRS is to provide one year of comparative IFRS financial reporting information. We believe that the presentation of comparative financial information by future US IFRS filers should be consistent with the requirements for foreign issuers and that one year (not two years) should be the requirement. IFRS 1 (paragraph 36) requires that "an entity's first IFRS financial statements shall include at least one year of comparative information under IFRSs" however the Commission has proposed that "If we decide to move forward with rulemaking for the use of IFRS by U.S. issuers, we expect to continue to require that issuers provide three years of audited annual IFRS financial statements". The additional year of comparative information places an unnecessary additional burden on preparers who will be faced with a decision to either, defer full adoption of IFRS (and maintain IFRS financial reporting records in parallel with their quarterly and annual U.S. GAAP financial statements preparation) until such a time when there are at least two years of historic IFRS financial statements that have also been subjected to audit; or conduct restatements of previously filed U.S.GAAP financial statements on a quarterly and annual basis.

Anticipated Timing of Future Rulemaking by the Commission

We strongly support the Commission's Roadmap towards the mandatory, rather than elective, use of IFRS for U.S. issuers in order to promote fully a single set of high-quality globally accepted accounting standards to improve the comparability of financial information prepared by U.S. public companies and foreign companies. The timing of the rulemaking will be a crucial element in encouraging US issuers to move decisively down the path towards adoption of IFRS. Any uncertainty regarding the timing of the Commission's rulemaking dates will need to be minimal so as to encourage corporations to make the necessary investments in their IFRS conversion projects. Specific dates that have a high degree of certainty will go a long way towards ensuring that IFRS are embraced and adopted in a well-planned and deliberate manner.

Implementation of the Mandatory Use of IFRS

We believe that the mandatory use of IFRS by U.S. issuers should ultimately extend to all issuers, including investment companies, broker dealers and other regulated companies that file reports with the Commission. IFRS should be adopted for not only filers with the Commission, but also for the underlying subsidiaries that prepare separate financial statements. This is predicated on the assumption that the FASB would at that time no longer exist and there would be no body to maintain U.S. GAAP standards and that only IFRS would remain.

Conclusion

We are eager to move forward with conversion and implementation of IFRS which will benefit the global capital markets tremendously and will provide comparable financial reporting that will ensure a level playing field for corporations that are competing for capital in all industries. The principles based approach will assist corporations in being able to practically apply the best quality judgments based on sound principles to even the most complex of transactions. Rules and form will not drive accounting to the same extent as we have experienced under U.S. GAAP and users will be presented with understandable, transparent and comparable financial statements upon which to base their decisions. Corporations will be relieved of the burdens presented by rules-based accounting standards that often produce accounting requirements than run the opposite of what a reasonable professional would expect were they driven more by underlying principles.

We look forward to the Commission's finalization of the Roadmap and a final decision to irrevocably accept financial statements filed by U.S. issuers under IFRS.

Sincerely,

John Park
Managing Director, Controller