BNY MELLON

July 29, 2011

Hon. Mary L. Schapiro
Chairman, Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Statement in Support of Convergence and Global Accounting Standards

Dear Ms. Schapiro:

BNY Mellon does not support the possible method of incorporation outlined in the Securities and Exchange Commission's (the "Commission" or the "SEC") Staff Paper, dated May 26, 2011, - the Condorsement Approach. This approach will leave the door open to U.S. variations and interpretations or even delays in adoption of specific accounting standards. Despite the SEC's assertion that such differences would be rare, the inability of the FASB and IASB to agree on converged standards for financial instruments classification and measurement and netting – two projects for which convergence is critical – causes us to believe that the differences under this approach will, on the contrary, be plentiful. In effect, FASB Financial Accounting Standards ("FAS") and International Financial Reporting Standards ("IFRS") will go their separate ways.

We believe a Conversion Approach – the full adoption of IFRS in the U.S. with a date certain for the acceptance of financial statement filings with the SEC – is the best course to achieve a single set of high quality globally accepted accounting standards. The U.S. needs to move deliberately to fully adopt IFRS and join the rest of the globe to achieve one single set of accounting standards that will improve the functioning of the capital markets, improve the flow of global trade and reduce the risks of market disruption due cross-border accounting arbitrage. The improved comparability and increased transparency of financial reporting will also facilitate a better informed environment for cross border mergers and acquisitions, prudential regulation and investor analysis.

Companies are facing an unprecedented amount of accounting change as both the IASB and FASB undertake projects which affect fundamental financial statement measurement principles (e.g. netting, revenue recognition, classification and measurement of financial instruments, impairment, leasing, derivative and hedging). They have to plan, change systems and processes, revise contracts, etc. in response to those changes, regardless of convergence of FAS to IFRS. However, U.S. multi-national companies, unlike foreign filers, will have to maintain the additional process and related staffing and system costs to report their results on both IFRS and FAS. U.S. Companies need a date certain to achieve global consistency in their operations and effectively make the transition from FAS to IFRS.

Use of IFRS as issued by the IASB would clearly be the most preferable and purest form of adoption of IFRS in the U.S., but it is apparent from reading the Progress Report (dated October 29, 2010) that the SEC does not prefer this approach. The SEC is considering three possible means towards introducing

IFRS into the U.S.; a Convergence Approach, an Endorsement Approach or a hybrid "Condorsement Approach". As we have commented in our August 9, 2010 letter to the Commission, the Convergence Approach has not been working and even with reconstituted FASB and IASB Boards, we do not see that this will improve in the near term (the pace of convergence has, and will likely continue to slow markedly). As long as the two Boards continue to set their own agendas and not work in lock-step on their mutual convergence projects, we foresee a state of perpetual convergence that could last for decades. An Endorsement Approach, with its objective of full IFRS adoption, whereby individual standards are endorsed for use in the adopting country could leave the door open to national variations and interpretations or even delays in adoptions of specific standards. The "Condorsement Approach" as described in the Commission's Staff Paper dated May 26, 2011, has recently been put forward as a compromise alternative approach towards the more gradual move towards IFRS in the U.S.; however, this approach will result in the likelihood of "carve-outs" and "carve-ins" being accommodated by the FASB and the Commission.

The SEC's Progress Report, dated October 29, 2010, includes a section entitled "Role of the National Standard Setter" in which it states "the SEC staff is considering the existence of jurisdictional variations of IFRS and to identify potential roles for the FASB, should the Commission decide to incorporate IFRS into the financial reporting system for U.S. issuers." The SEC further has stated its belief that:

> "The FASB will continue to play a critical and substantive role in achieving that goal of global accounting standards. The FASB is the accounting standard setter for the U.S. capital markets, and it should continue to work with the IASB to improve accounting standards. Moreover, that role would remain critical after adoption of global standards."

The May 26, 2011, Staff Paper asserts that under the Condoresement Approach the FASB's exercise of authority as the national standard setter would result in modifications to IFRS that are rare and generally avoidable. The work to date by the two Boards is mixed. The leasing and revenue recognition projects seem to be leading to standards that will use the same wording; however, it is less clear with respect to the consolidation project. On the other hand, the FASB seems very far apart from the IASB on some very basic measurement projects – the classification and measurement of financial instruments project and the hedging project. Both Boards are working very hard on equally high quality accounting standards – but are, in good-faith, reaching different conclusions.

Accordingly, to avoid U.S. only variations to global GAAP, we believe there should only be one global accounting standard setter, the IASB. The FASB's role should principally be focused on identification of emerging accounting issues that would be filtered based upon their criticality and importance on up to the IASB Board for consideration in their standards setting deliberations. We do not support the continued role of the FASB in setting new standards and interpretations that likely may create accounting differences from the IASB standards as issued. In addition, to avoid the creation of local variations in non-U.S. jurisdictions, the SEC and other U.S. government agencies should strongly influence those other jurisdictions to adopt IFRS as issued by the IASB (for example through IOSCO, the Monitoring Board, the Financial Stability Board, the Basel Committee, the G-20)

The SEC needs to move toward a decision to adopt IFRS in by the end of this year, otherwise other countries that are close to officially adopting may hesitate or even back away completely. The world is looking to the U.S. for leadership, in particular, the nations of Japan, India and China.

The U.S. should have a date certain for a full conversion from US GAAP to IFRS. Without such a date, the capital markets and preparers of financial statements will not commence preparations for implementation. If nevertheless the SEC decides on a different approach, we believe it is imperative that the approach adopted be combined with an alternative for early adoption of IFRS by those registrants that wish to adopt.

In our letter to you dated August 9, 2010, we recommended the focus shift to ensuring the U.S. has a strong voice in the establishment of International Financial Reporting Standards. The U.S. needs assurance of adequate representation on the IASB and the IFRS Foundation. We believe the affirmation by the SEC that the U.S. will adopt IFRS will help provide assurance of the representation. The Progress Report has also raised concerns with the Independence and Funding of the IFRS Foundation, which we strongly agree needs to be resolved through a funding mechanism that provides enhanced independence and fully assures the fiscal longevity of the global standard setter – the IASB. We look forward to reading the next Progress Report in the near future.

If you have any questions or are in need of any further information, please contact me at (212) 635-7080.

Sincerely,

/s/ John A. Park

John A Park
Corporate Controller