April 26, 2006

Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
USA

Subject: File 4-511  
Implementation of Internal Control Reporting Requirements of Section 404 of the Sarbanes-Oxley Act of 2002

Dear Ms. Morris:

Canadian Imperial Bank of Commerce (CIBC) appreciates the opportunity to comment on our second-year experiences with the reporting and auditing requirements of the Sarbanes-Oxley Act of 2002 (“SOX” or “the Act”).

CIBC is a prominent North American financial institution and an active participant in the United States financial markets with two strategic business lines: CIBC Retail Markets and CIBC World Markets. CIBC offers a diverse range of retail and wholesale products and services through its extensive banking network of branches and offices across Canada, the United States and around the world. As at October 31, 2005, CIBC had total assets of $280 billion (Cdn.$) and market capitalization of $24.1 billion (Cdn.$).

CIBC successfully filed in accordance with Section 404 of the Act in respect of both its 2004 and 2005 fiscal years. As a foreign private issuer, CIBC adopted a proactive approach with respect to the provisions of the Sarbanes Oxley Act by fully satisfying all the requirements two years ahead of the deadline prescribed by the SEC. CIBC has been supportive of the principles of the Act and views last year’s participation at the SEC roundtable as an effective platform to continue its dialogue with the SEC on the journey to optimize the current legislative requirements. Accordingly, CIBC is pleased to provide comments on its second year experiences with SOX 404 and recommendations for further enhancement of the certification process.
CIBC has realized benefits as a result of SOX 404 implementation, the most important of which has been to raise the level of control consciousness and understanding of its employees. Updated documentation of key processes and controls related to financial reporting has become a useful reference tool for many business units. The SOX 404 compliance process has resulted in real improvements in internal control over financial reporting while providing a foundation for broader control environment benefits.

In its third year of compliance, CIBC has implemented a risk-based approach to controls testing in an effort to streamline the evaluation process and achieve efficiencies. To gain further efficiencies and in the spirit of continuous improvement, CIBC is also conducting disciplined reviews of identified key controls with twin goals of standardization and rationalization.

Compliance costs have been a common topic of debate among the registrants, auditors and regulators. Compliance costs incurred by CIBC have been substantial despite attempts to maximize the use of internal resources. In its second year of compliance, CIBC experienced a reduction in external auditor and advisor costs relative to year one, but significant further reductions are not anticipated under current requirements. CIBC does foresee some future internal cost reductions due to non-recurrence of initial start-up costs, refinements in the evaluation process, expanded use of technology and reduced resource requirements for documentation and testing activities.

Despite successful implementation of SOX 404 requirements, CIBC continues to seek guidance from the SEC and PCAOB on the interpretation of the Act and PCAOB Audit Standard 2 to further enhance its compliance process. CIBC encourages the SEC and PCAOB to provide additional guidance on the following matters:

- **Coverage** – While not specifically provided for in the Act or in PCAOB Auditing Standard 2 the concept of what constitutes sufficient coverage of the financial statement accounts is an important statistic monitored carefully by External Auditors. Industry norms are also discussed and debated with minimum coverage percentages of 60-70%. CIBC feels that the concept of a “floor” or minimum coverage percentage is not consistent with top down risk based approaches to compliance and would like to see clarification on the concept of coverage.

- **Reliance** – CIBC feels that there should be more opportunity for the external auditors to place reliance on both management’s evaluation processes and that of internal audit and adjust the extent of their work. Additional flexibility for the external auditors to rely on work completed in higher risk areas would be more efficient.

- **Roll Forwards** – By their nature, internal controls are designed to operate effectively on a regular or continuous basis. In order to assess internal control effectiveness at the reporting date, CIBC rolls-forward its testing within 90 days prior to the “As At” reporting date. It has been CIBC’s experience that the current 90 day roll-forward requirement creates challenges in executing substantial testing activities within a limited timeframe. Moreover, the 90 day roll-forward requirement results in considerable retesting of controls tested earlier in the fiscal year. CIBC believes that clearer recognition of the continuous nature of controls and less emphasis on the “As At” date and the need for roll-forwards would enhance both the effectiveness and efficiency of the compliance process.

- **Rotational Testing** – Compliance with SOX 404 continues to be a significant undertaking. CIBC believes that some relief in assessing operating effectiveness should be provided by introducing rotational testing in the areas of low and medium risk, as identified through risk assessment. Historically, rotational testing has been a proven method of assessing the effectiveness of internal controls by internal audit functions. CIBC believes that rotational testing will be particularly effective in assessing controls over routine transactions of low risk but high volume.
• **Baselining** - Similar to other SEC registrants, CIBC has experienced challenges in assessing operating effectiveness of IT Application controls. An informal practice of “baselining” once every three years has emerged. To date, we don’t believe that the SEC and PCAOB have provided any indication of whether or not they endorse this practice.

• **Material Changes** – CIBC acknowledges the need for management to disclose any material changes in internal control over financial reporting on a quarterly basis however, feels that clarification with respect to the definition of a material change for SOX purposes is required. Although the concept is discussed in AS2 and SEC FAQ, further guidance will allow CIBC to categorize changes in internal control more effectively for disclosure purposes. Specifically, CIBC is seeking clarification on the treatment and classification of remediated significant deficiencies. CIBC feels strongly that significant deficiencies should not be publicly reported and, as a result, remediation of significant deficiencies should also not be reported.

• **Outsourced Service Providers** – Many SEC registrants have identified the subject of outsourced arrangements as a continuing area of concern despite guidance provided in the Auditing Standard No. 2 (“AS2”) and PCAOB FAQ. Differences in the timing of fiscal year ends between the registrant and third party outsourcers have resulted in difficulties fulfilling the external auditor’s requirement of obtaining a current SAS70 report from the service providers. This concern is not unique to CIBC, as it may impact all registrants whose fiscal year end is significantly misaligned with that of their outsourced service providers. CIBC has a fiscal year end of October 31 while many of its service providers report as at December 31 resulting in a substantial time gap between the annual attestation and the SAS 70 report. As a result, CIBC has incurred additional costs in respect of documentation and testing of CIBC’s outsourcer controls in addition to acquiring outsourcer representation letters confirming that no changes have occurred since their last SAS 70.

Again, thank you for affording CIBC the opportunity to provide feedback regarding the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. We would welcome the opportunity to discuss these matters with you further.

Sincerely,

Bruce Renihan,
Executive Vice-President & Controller