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Mr. Jonathan G Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549-0609
USA

Subject: File No. 4-497
Implementation of Internal Control Reporting Requirements of Section 404 of the Sarbanes-Oxley Act of 2002

Dear Mr. Katz:

Canadian Imperial Bank of Commerce (CIBC) appreciates the opportunity to comment on our experiences during the implementation of the internal control reporting requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (SOX or the Act).

CIBC is a prominent North American financial institution with focus on three business lines: CIBC Retail Markets, CIBC Wealth Management, and CIBC World Markets. CIBC offers a diverse range of products and services through its extensive banking network at branches and offices across Canada, the United States, and around the world. As of October 31, 2004, CIBC had total assets in excess of \$278 billion (Cdn.\$) and market capitalization of \$25.7 billion (Cdn.\$). CIBC is a foreign private issuer, and adopted a pro-active approach with respect to Sarbanes-Oxley. CIBC successfully filed in accordance with Section 404 of the Act as at October 31, 2004, while not being required to comply until 2006.

CIBC fully supports the philosophy and intent of the Act and has voluntarily surpassed the requirements, both in terms of complying early, and through expanded control work (beyond internal control over financial reporting). There have been several benefits realized through our early SOX 404 compliance including:

- Raised profile and company-wide awareness of governance and control. This has resulted in many enhancements to existing controls and programs.
- A positive impact on company-wide or entity-wide controls. This has been achieved through a better understanding of controls (a vital component of compliance) and the development of an executable methodology to assess key controls.
- Accountability has also been clarified for key financial process controls; each control is signed off by a designated officer.

- Through required assessments, CIBC was able to identify and remediate numerous issues, many of which pertained to either a lack of documentation or informal documentation. The improvements in understanding, and subsequent refinement of processes provided the basis for CIBC to conclude on the effectiveness of internal control, and will enable CIBC to render conclusions on an on-going basis.

The compliance process was not without some challenges – mostly pertaining to interpretation of the Act and the PCAOB Audit Standard #2. During this first year of compliance none of management, advisors or external auditors had experience to draw on. Also, being one of the first to comply, CIBC was limited in the ability to seek insight from others in the industry. As there was no knowledge base and little guidance available, both management and auditors were sensitive to not meeting requirements. This sensitivity often resulted in overly conservative judgements. CIBC also noted that the timing of standards compounded the situation as many decisions had to be made prior to the release of standards or guidance.

CIBC encourages the Securities Exchange Commission to consider the following suggestions for enhancement based on our experiences in the compliance process:

- Enable more opportunity for external auditors to use judgement and increase reliance on both robust management processes and proven, effective internal audit groups. Also, provide the ability for a less conservative approach to interpreting the Act and PCAOB Audit Standard #2 so that non-value added activities (e.g., excessive documentation for lower risk areas) are limited. Both of the above will likely result in reduced fees.
- CIBC management believes very strongly in the need for both management and the auditors to use good judgement in determining the appropriate level of effort and in concluding on the effectiveness of internal control. To assist in applying good judgement, having access to a body of knowledge (e.g., a database of significant deficiencies noted by companies on an anonymous basis) would be extremely useful.
- Clarify the documentation and testing issues related to information technology: general controls, application controls, legacy systems and related testing requirements over embedded calculations.
- Provide more emphasis over the importance of entity-level controls versus process controls, as it is far more likely for significant issues to arise from entity controls work. Our experience indicates that the benefits obtained from our entity controls work substantially outweighed the costs, but lower value was obtained through extensive work in less material, more routine process areas.

Again, thank you for affording CIBC the opportunity to offer insights and recommendations regarding the implementation of the internal control reporting requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the Act).

Sincerely,

A handwritten signature in black ink, appearing to be a stylized name, possibly "J. L. ...".