



One Wall Street
7th Floor
New York, NY 10286

October 17, 2013

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merrit 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. EITF-12Gr, Measuring the Financial Liabilities of a Consolidated Collateralized Financing Entity

Dear Ms. Cospers:

The Bank of New York Mellon Corporation (BNY Mellon) appreciates the opportunity to comment on the FASB's Proposed Accounting Standards Update (Revised), Consolidation (Topic 810), Measuring the Financial Liabilities of a Consolidated Collateralized Financing Entity (Proposed Update).

BNY Mellon is a global financial institution operating in 35 countries with \$360 billion of total assets, \$26.2 trillion of assets under custody and/or administration, and \$1.4 trillion in assets under management as of June 30, 2013, including approximately \$10 billion in collateralized loan obligation structures.

We are generally supportive of the accounting guidance presented in the Proposed Update, which is expected to resolve the diversity in practice regarding the recognition of a gain or loss upon the initial consolidation of a collateralized financing entity (CFE). BNY Mellon records the assets and liabilities of its consolidated investment management funds at fair value. We value the assets of our consolidated collateralized loan obligation funds (CFOs) using market prices observed in the secondary loan market. Since the liabilities of our consolidated CFEs are solely payable from the proceeds derived from its assets, the liabilities of the consolidated CFOs are valued equal to those assets. Changes in the values of the consolidated CFO's assets and liabilities are recognized in the income statement.

However, since this Proposed Update will be affected by the following two ongoing FASB projects, we are concerned with both the timing and usefulness of this Proposed Update.

Consolidation- Principal vs. Agent Analysis

It is expected that the principal vs. agent analysis standard will have a significant effect on the consolidation of CFEs that are in the scope of this Proposed Update. Assuming the Proposed Update is adopted in its current form, many entities will likely incur additional time and costs to implement the Proposed Update only to potentially deconsolidate the entities' consolidated CFEs due to the revised principal vs. agent analysis.

We strongly encourage the FASB to begin its redeliberations on the 2011 proposed Accounting Standards Update 2011-220, Consolidations (Topic 810): Principal vs. Agent Analysis during 2013 and issue the final standard as soon as possible in 2014. The proposed principal vs. agent analysis standard has been in discussions for far too long. The FASB should not allow this Proposed Update to delay the final resolution of the principal vs. agent analysis standard.

Financial Instruments-Classification and Measurement

The Financial Instruments-Classification and Measurement project will likely require an entity's nonrecourse financial liabilities to be measured on the same measurement basis as the related financial assets. If the Proposed Update is issued as drafted, the accounting for similar liabilities would not be consistent. The accounting for the financial assets and nonrecourse financial liabilities of a consolidated CFE should be consistent with similar financial assets and nonrecourse financial liabilities of a reporting entity. We believe the FASB should consider the methodology for all nonrecourse liabilities and should perform a comprehensive review of the accounting for all nonrecourse liabilities and not address and should not provide potentially contradictory guidance on similar liabilities.

Therefore, we suggest the finalization of this Proposed Update should not be accelerated and should be delayed pending the finalization of the both the Consolidation and Financial Instruments projects, which should take priority over this Proposed Update.

If you have any questions or are in need of further information, please contact me at (212) 635-7080 or Al Koser at (412) 236-2173.

Sincerely,



John Park
Corporate Controller