



THE BANK OF NEW YORK MELLON

August 5, 2014

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

RE: Proposed Accounting Standards Update, Business Combinations (Topic 805), Push Down Accounting (File Reference No. EITF -12F)

Dear Ms. Cospers,

The Bank of New York Mellon Corporation (“BNY Mellon”) appreciates the opportunity to respond to the Financial Accounting Standards Board’s (“FASB”) Proposed Accounting Standards Update in regards to push down accounting.

BNY Mellon is a global financial services company with total assets of \$400 billion and assets under management of \$1.64 trillion. Operating in 35 countries and serving more than 100 markets, we are a leading provider of financial services for institutions, corporations and high-net-worth individuals. Our financial products include asset and wealth management, asset servicing, issuer services, clearing services and treasury services.

We appreciate the FASB’s approach to providing specific guidance addressing when an acquired entity can elect to apply push down accounting to its standalone financial statements. We agree that a change in control event representing a business combination and accounted for in accordance with the acquisition method is an appropriate trigger to allow for an acquired entity to apply push down accounting. We believe that this is a much clearer threshold and a simpler model to follow, rather than applying the “substantially wholly owned” model required by current guidance.

Although providing an acquiree with the option to apply push down accounting in its separate standalone financial statements may reduce comparability for financial statement users, current guidelines provide for a level of non-comparability between public and non-public entities and for acquisitions of 80%-95% of an entity. We believe that allowing all acquired entities a choice to apply push down accounting will not have a significant impact for financial statement users

and will likely result in more entities applying push down accounting due to the lower thresholds established by the proposed Accounting Standards Update. We agree that this proposed Accounting Standards Update should be applied by both public and nonpublic entities.

An acquiree that elects to apply push down accounting should reflect in its separate financial statements the new basis of accounting that the acquirer used when it applied purchase accounting to its financial statements. We see no basis for any differences to exist when applying push down accounting to the acquiree's separate financial statements. Upon acquisition, the acquiree should measure its assets and liabilities in accordance with ASC 805, *Business Combinations*, and any other applicable U.S. GAAP. Any acquisition related debt incurred by the acquirer should be recorded by the acquiree only if it is required to recognize a liability in accordance with other applicable U.S. GAAP (i.e., ASC 405-40, *Obligations Resulting from Joint and Several Liability Arrangements*).

If an acquirer is not required to apply ASC 805 to the acquisition, to the extent the acquiree elects to apply push down accounting in its separate financial statements, the new basis of accounting that the acquirer would have established should be reflected in the acquiree's separate financial statements.

We agree that the application of the proposed Accounting Standards Update should be on a prospective basis.

If you have any questions or require further information, please contact me at 212-635-7080.

Sincerely,



John A. Park
Executive Vice President and Controller