

October 1, 2005

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
United States

Letter of Comment No: *16*
File Reference: FSP123R-B
Date Received:

Sent via email to director@fasb.org

Re: FSP FAS 123(R)-b "Practical Exception to the Application of Grant Date as Defined in FASB Statement No. 123(R)"

Credit Suisse Group ("CSG") appreciates the opportunity to comment on the Financial Accounting Standard Board's (the "Board") proposed Staff Position 123(R)-b, "Practical Exception to the Application of Grant Date as Defined in FASB Statement No. 123(R)" (the "Staff Position"). We are responding to the Staff Position as a preparer of U.S. GAAP financial statements and foreign private issuer that files periodic reports with the Securities and Exchange Commission.

We agree with the Board's proposals included in the Staff Position; however, we have a concern with the proposed Transition provisions. Paragraph 6 of the Staff Position states that its guidance should be applied upon initial adoption of SFAS 123(R), and an entity that adopted SFAS 123(R) prior to the issuance of the Staff Position should adopt its guidance prospectively. This provision could cause confusion among companies that early adopted SFAS 123(R) and granted awards during 2005 prior to the issuance of the Staff Position. For example, calendar year-end companies and their auditors could question whether past practice under SFAS 123 was changed for the period between January 1, 2005 and the issuance date of the Staff Position, and if so whether award grants during that period would need to be recalculated. Additionally, we note that the Board encouraged early adoption of SFAS 123(R), and companies that follow this encouragement on good faith should not be penalized for having done so. We recommend that the Board clarify that SFAS 123(R) early adopters that granted awards during 2005 prior to the issuance of the Staff Position should continue to follow past practice as described in paragraph 3 of the Staff Position.

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We thank the Board for their attention to our views. We are available to further discuss these points at the Board's convenience. Please do not hesitate to contact David Bruno at david.bruno@credit-suisse.com on +41 44 334-2616 with any questions or comments.

**CREDIT
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CREDIT SUISSE GROUP
Paradeplatz 8
P.O. Box 1
8070 Zurich
Switzerland

Sincerely,

Rudolf Bless
Managing Director, Chief Accounting Officer

David Bruno
Vice President, Accounting Policy Group