CREDIT SUISSE

CREDIT SUISSE GROUP
Paradeplatz 8
PO Box 1
8070 Zurich

December 22, 2006

LETTER OF COMMENT NO. 2

Mr. Larry Smith
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
director@fasb.org

Re: Proposed FASB Staff Position No. Fin 46(R)-d, Application of FASB Interpretation No. 46(R) to Investment Companies (the "FSP")

Dear Mr. Smith:

Credit Suisse agrees with the FSP's proposal that entities that are within the scope of the AICPA Audit and Accounting Guide, *Investment Companies* (the "Guide") should not be subject to consolidation subject to FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*. It is our view that the Statement of Position, *Clarification of the Scope of the Audit and Accounting Guide*, Investment Companies, *and Accounting by Parent Companies and Equity Method Investors for Investments in Investment Companies* will appropriately limit the use of specialized investment company accounting.

However, we are concerned with the Board's approach relating to whether an investment company might be required to consolidate another investment company. As noted in paragraph 5 of the FSP, there is diversity in practice on when an investment company should consolidate a controlled investment company, and the FSP effectively is electing not to address this issue at this time.

Credit Suisse believes that in most cases, specialized accounting for an investment company under the Guide will be appropriate. We agree with the Board that the investment objective should be considered when determining whether to consolidate another investment company. We believe that some examples demonstrating how to apply that concept would be helpful.

We understand that there might not be a "one size fits all" answer to this question and that there could be additional issues that arise out of addressing this question directly, but we think this is the appropriate time to have such discussions. The FSP's acknowledgement of diversity in practice supports that this is an issue that the Board should attempt to address.

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PO Box 1
8070 Zurich
Switzerland

We would be happy to provide you with more detail on our comments should you wish. Please do not hesitate to contact Eric Smith on 212-538-5984, Todd Runyan on +41-44-334-8063, or Julie Roth on 212-538-4847.

Sincerely,

Rudolf Bless
Managing Director
Chief Accounting Officer

Julie Roth
Director
Accounting Policy and Assurance Group