



CREDIT SUISSE GROUP
Paradeplatz 8
8070 Zurich
Switzerland

LETTER OF COMMENT NO. 5

31 January 2007

Director of TA&I - FSP
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Sent via post and email to director@fasb.org

Re: Proposed Staff Position No. FIN 39-a, Amendment of FASB Interpretation No. 39

Dear Sir:

Credit Suisse Group ("CSG") appreciates the opportunity to express our views on the Financial Accounting Standards Board's ("FASB") proposed Staff Position No. FIN 39-a, *Amendment of FASB Interpretation No. 39* ("Proposed FSP"). CSG is registered as a foreign private issuer with the Securities and Exchange Commission and its consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

We are proponents of the FASB's decision to permit offsetting receivables or payables recognized upon payment or receipt of cash collateral against the fair value amounts recognized for derivative instruments that have been offset under the same master netting arrangement. We support FASB's objective to update and clarify Interpretation 39 ("FIN 39") and feel that the Proposed FSP addresses many of the ambiguities in FIN 39. We have some concerns, however, over some of the proposed changes, including the short time period to adoption and the need for more clarity of terms including 'fair value' and 'master netting arrangement'.

Effective Date and Transition

As the Proposed FSP demonstrates, the ability to net cash collateral with derivative balances under FIN 39 has been unclear and we understand there is some diversity in practice. We believe that requiring adoption of the Proposed FSP by the end of the first quarter does not provide sufficient time to allow companies to implement new processes to accurately identify and determine the fair value of such collateral and net these additional items on a counterparty by counterparty basis. Therefore, we recommend that the effective date of the FSP as it relates to netting collateral be for fiscal years beginning after December 15, 2007, with early adoption permitted.

Disclosure

The Proposed FSP para.10A requires a reporting entity to "separately disclose amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral, that have not been offset in accordance with para.10 because those amounts are not fair value

amounts.” It is not clear to us what is considered fair value in this situation and would request that the FASB add an example to illustrate para.10A. Furthermore, we do not believe that this type of disclosure will provide useful information to the users of the financial statements. The proposals under the current Derivative Disclosures project to have derivatives presented on a gross basis even if subject to a master netting arrangement and qualify for net presentation in accordance with FIN 39, should provide sufficient information about cash collateral amounts.

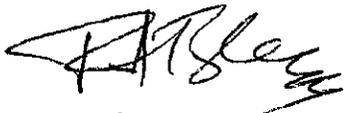
Master netting arrangement

The Proposed FSP does not significantly adjust the definition of a ‘master netting arrangement’ from that already documented in FIN 39. para.10. We noted in earlier drafts of the Proposed FSP reference to “ISDA master netting arrangements”. We understand the concept of a master netting arrangement to be broad enough to cover other credit support annexes than just ISDA. We believe that the FASB should specify that the master netting arrangement need not be an ISDA master netting arrangement. Of key importance in a master netting arrangement is that it is legally enforceable and we suggest that FASB add this phrase to the description of ‘master netting arrangement’.

Conclusion

Overall, we are supportive of the Board’s efforts. We believe the proposed FSP could be improved and hope the Board will give consideration to our comments above. If you have any questions or would like any additional information on the comments we have provided, please do not hesitate to contact Eric Smith on 212-538-5984, Todd Runyan on +41 44 334 80 63 or Allison Bunton on +41 44 333 43 84.

Sincerely,



Rudolf Bless
Managing Director, Chief Accounting Officer



Allison Bunton
Vice President, Accounting Policy and Assurance