

15 October 2008

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116
USA
director@fasb.org



LETTER OF COMMENT NO. 3

File Reference: Proposed FSP FAS 140-e and FIN 46(R)-e

Dear Sir or Madam:

Credit Suisse Group ("CSG") welcomes the opportunity to comment on the proposed FASB Staff Position No. FAS 140-e and FIN 46(R)-e, *Disclosures about Transfers of Financial Assets and Interests in Variable Interest Entities* ("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").

CSG recognizes that the FASB and other policy makers believe that speedy and decisive action is necessary to ensure a strong and timely response to the ongoing credit and liquidity crisis confronting our nation's financial markets. CSG generally agrees that some expanded disclosures will meet that immediate need; however we believe that caution and diligence must be exercised even when time pressures exist in order to ensure that such expansive disclosures do not lead to further market confusion. We therefore respectfully submit input to the questions posed in the FSP.

Will the Disclosures Required by this FSP Improve Transparency?

We would like to note that the scope of the FSP extends beyond the scope of FAS 140 and FIN 46(R) in that it includes:

1. sponsors that do not hold a significant variable interest
2. non transferors that hold a significant variable interest in a qualified special purpose entity ("QSPE")
3. 'any' continuing involvement in an SPE

It should therefore be recognized that implementing this FSP will require additional information sources that have not traditionally been tracked by public entities for purposes of disclosure.

In addition, even where the areas of incremental disclosure focus within the traditional scope of FAS 140 and FIN 46(R), this FSP is so expansive and extensive in its disclosure requirements that it could be argued that meeting all of the proposed disclosures goes beyond the effect of the proposed FAS 140 and FIN 46(R)

amendments. CSG believes that although some additional disclosures by securitizers are needed we do not agree that all of the disclosures proposed in this FSP will lead to improved transparency. For instance, we believe the scope of the quantitative disclosures should be limited to situations where there is significant continuing involvement, rather than extending to situations where a transferor has 'any' continuing involvement (as proposed in paragraph 17i). We do not believe that disclosure of insignificant involvement is necessary or even expected by investors.

Will the Proposed Disclosures be Operational?

CSG has involvements with several thousand special purpose entities ("SPE"). Collecting, analyzing and reviewing qualitative and quantitative data and other information, on a quarterly basis, is not feasible at this time. Currently most of the FAS 140 and FIN 46(R) disclosures are completed only on an annual basis. For example, documenting methodologies, key inputs and assumptions leading to the consolidation conclusions related to each entity reviewed will be an arduous task at best (especially if such reviews and conclusions need to be completed for all such entities held as at December 31, 2008 and on an ongoing quarterly basis thereafter).

In addition, the qualitative nature of many of the required disclosures will require judgment and analysis processes to be established. Such processes will necessitate manual oversight review which will demand further resources and training of those resources.

Finally, some of the variable interests relate to entities where there will be a need to set up, monitor and enforce new or expanded financial reporting covenants to ensure access to information needed to meet the expanded disclosures. This will not be feasible for all impacted entities in the implementation timeframe currently proposed by FASB.

Will the Effective Date at the End of the Quarter in which the Standard is Issued Provide Adequate Time to Implement the Final FSP?

CSG will be required to meet the FSP disclosures upon filing its December 31, 2008 financial statements given that the Board expects to issue a final FSP in the fourth quarter of 2008. We believe that the efforts required to meet the FSP disclosure requirements are as involved and extensive as those that will be required to implement the FAS 140 and FIN 46(R) proposed amendments but that there is no time being allotted by FASB to ensure those disclosures are complete and correct.

Rather, CSG proposes to make the effective date of this FSP no earlier than the first interim reporting period ending after May 15, 2009. For CSG, this would mean that we would implement expanded disclosures with the filing of our June 30, 2009 interim report which, although still aggressive, would permit us time to perform due diligence, recruitment of necessary resources and training thereof. Further this

proposed timeline would allow us to establish appropriate oversight and review processes to ensure completeness and correctness of the qualitative and quantitative data points.

Finally, we would also recommend that FASB solicit further input related to this FSP at the public roundtable meeting planned for November 6, 2008. Although the purpose of that meeting is to listen to the views of, and obtain information from, interested constituents about the FAS140 and FIN 46 (R) proposed amendments, we believe that learnings from that meeting may also impact the final view the Board may have on the content and effective date of this proposed FSP.

Nature and Extent of the Effort and Time Needed to Compile the Information Required

CSG will not be in a position to meet the FSP disclosure requirements under the proposed timeline without investing a significant amount of resources as discussed earlier in this letter and we believe that even with the required resources in place, the training of such resources would take much more time than what is offered in the current proposed timeline.

In addition, many of the resources needed to gather and analyze the information for meeting the FSP disclosure requirements are the same resources that are currently focused on monitoring market conditions and meeting other concurrent standards implementation efforts that become effective late 2008 or early 2009 (e.g. FAS 140-3, FAS 141-R & FAS 160, FAS 161, EITF 07-5, FSP FAS 133-1 & FIN 45-4, EITF 03-6-1).

Finally, CSG would like to refute the assumption that the Board concluded that this accelerated effective date is practicable for many entities as there are similarities with the disclosures required by the SEC's Division of Corporation Finance. This proposed FSP goes far beyond that both in scope of entities affected and depth of qualitative and quantitative information to be disclosed.

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In summary, CSG would like to propose the following:

- i) modify the effective date of this FSP to no earlier than the first interim reporting period ending after May 15, 2009
- ii) solicit input related to this FSP at the public roundtable meeting planned for November 6, 2008 which may result in further edits to the document
- iii) remove from the scope of the FSP insignificant variable interests or other forms of insignificant involvements as we do not believe that such disclosures are necessary or expected by investors



CREDIT SUISSE GROUP
Paradeplatz 8
PO Box 1
8070 Zurich
Switzerland

We would welcome the opportunity to further elaborate on our concerns. In the meantime, if you have any questions or would like any additional information on the comments we have provided herein, please do not hesitate to contact Todd Runyan in Zurich on +41 44 334 8063, Eric Smith in New York on (212) 538-5984, or Joanne M. Phillips in Raleigh on (919) 994-6555.

Sincerely,

Rudolf Bless
Managing Director
Chief Accounting Officer

Joanne M. Phillips
Vice-President
Accounting Policy and Assurance Group