

One New York Plaza
New York, NY 10004

Morgan Stanley

January 14, 2011

Technical Director
File Reference No. 1900-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

**Re: Proposed Accounting Standards Update, Transfers and Servicing (Topic 860) –
Reconsideration of Effective Control for Repurchase Agreements**

Dear Technical Director:

Morgan Stanley appreciates the opportunity to comment on the Proposed Accounting Standards Update, *Transfers and Servicing (Topic 860) – Reconsideration of Effective Control for Repurchase Agreements* (the “Proposed Update”). We support the FASB’s proposals regarding the criteria for determining whether the transferor has maintained effective control in accounting for repurchase and similar agreements. We believe that the Proposed Update simplifies and improves the evaluation process by focusing on the transferor’s contractual rights and obligations with respect to the transferred financial assets, not on whether the transferor has the ability to repurchase said assets through the maintenance of collateral. Additionally, it is our view that the guidance in the Proposed Update is clear and appropriate and will provide decision-useful information to financial statement users.

We support an effective date as of the beginning of the next interim period after issuance (expected to be April 1, 2011 for calendar-year companies). For our organization, we do not believe that any operational changes necessary to comply with the Proposed Update would be significant enough to require a later effective date.

Finally, we believe that the benefits of simplifying the accounting for repurchase and similar agreements outweigh the anticipated costs of complying with the Proposed Update. On a related note, it is our view that the Proposed Update brings U.S. GAAP closer to convergence with International Financial Reporting Standards (“IFRS”) on accounting for repurchase and similar agreements.

Again, we thank you for the opportunity to provide comments. Please contact me at 212-276-7716 or Rachel Ferguson at 212-276-2786 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Gregory A. Sigrist". The signature is written in a cursive style with a large initial 'G'.

Gregory A. Sigrist
Managing Director
Global Accounting Standards and Control