

September 24th, 2007

Securities and Exchange Commission  
100 F Street N.E.  
Washington, D.C. 20549-1090  
USA

By email to: [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

*File Number S7-13-07*

**ACCEPTANCE FROM FOREIGN PRIVATE ISSUERS OF FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS WITHOUT RECONCILIATION TO U.S. GAAP**

Credit Suisse Group (“Credit Suisse”) welcomes the opportunity to provide the Securities and Exchange Commission (the “Commission” or the “SEC”) with our comments and suggestions regarding the Commission’s proposal. Credit Suisse is a leading global financial services company headquartered in Zurich, Switzerland. As an integrated global bank, Credit Suisse provides its clients with investment banking, private banking and asset management services worldwide. Credit Suisse’s registered shares are listed in Switzerland and, in the form of American Depository Shares, in New York.

Credit Suisse’s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). In addition, a significant number of our subsidiaries are required to apply International Financial Reporting Standards (“IFRS”) to their stand-alone financial statements.

Credit Suisse firmly supports the Commission’s proposal to accept from foreign private issuers financial statements prepared in accordance with IFRS as published by the International Accounting Standards Board (“IASB”) without reconciliation to generally accepted accounting principles (“GAAP”) as used in the United States. In particular, Credit Suisse applauds the notion laid out in the proposal that the Commission engage with the IASB and/or the International Financial Reporting Interpretations Committee (“IFRIC”) in resolving emerging issues. However, in order not to undermine the advantages of IFRS as a principals-based framework, it is critical that the development of detailed prescriptive guidance be avoided.

The appendix includes our responses to certain aspects of the Proposal.

We appreciate the Commission's consideration of our comments and we would be pleased to discuss any of the comments in the letter with the Commission or its staff. If we can be of further assistance to the Commission in this regard, please do not hesitate to contact Rudi Bless at +41 44 333 19 68.

Sincerely,



Renato Fassbind  
Chief Financial Officer



Rudolf Bless  
Chief Accounting Officer

## Appendix

### **II. ACCEPTANCE OF IFRS FINANCIAL STATEMENTS FROM FOREIGN PRIVATE ISSUERS WITHOUT A U.S. GAAP RECONCILIATION AS A STEP TOWARDS A SINGLE SET OF GLOBALLY ACCEPTED ACCOUNTING STANDARDS**

#### **A) A Robust Process for Convergence (comments on Questions 1. and 2.)**

##### **IFRS is widely used and has been issued through a robust process**

Although we appreciate that the wide-spread use of IFRS around the world is a relatively new development, with the recent implementation of IFRS in 2005 by more than 7,000 listed companies throughout the European Union, IFRS can be considered as being widely used. The IASB structures in place combined with the due process handbook for the IASB (approved by the International Accounting Standards Committee) ensures a robust and independent standard setting process and has resulted in what we believe to be high-quality accounting standards.

##### **Convergence should be a consideration but is not critical**

We believe the key consideration in deciding whether IFRS financial statements should be accepted without reconciliation to U.S. GAAP is whether IFRS results in high quality financial statements that allow investors to make informed decisions. We believe that the IASB has demonstrated the ability to set high quality standards that provide useful information to investors. While we appreciate that the level of convergence might impact the comparability between companies applying two different accounting frameworks, we believe that U.S. GAAP and IFRS are similar enough in material respects. Accordingly, we think that the level of convergence should not be a critical consideration in the Commission's acceptance in foreign private issuer filings of financial statements prepared in accordance with IFRS as published by the IASB without a U.S. GAAP reconciliation.

##### **Convergence has been adequate**

Due to the joint standard setting process applied by both the FASB and the IASB, a reasonably high level of convergence has already be achieved. Also, it is our perception that the convergence process has enabled analysts and other users of financial statements to gain a better understanding of the effects of the (remaining) differences between the two accounting frameworks. We consider the "best efforts" approach, by which convergence is sought in part by choosing the better standard where differences exist and in part by joint cooperation in new standard setting initiatives, to be a reasonable approach to achieve convergence. We believe that it is important to continue efforts to align the two accounting frameworks, with the ultimate objective of having just one framework.

**B) Consistent and Faithful Application of IFRS (comments on Questions 3. to 7.)**

**IFRS is applied consistently in all material aspects**

Although global enforcement is still developing, we believe that the external audit profession provides assurance that financial statements prepared under IFRS are prepared applying a reasonably consistent application of IFRS in all material aspects.

In order to allow the issuers of financial statements to portray faithfully the economic substance of a particular transaction, professional judgment in the interpretation of the principals-based standards must be acknowledged by all relevant parties, especially regulators, enforcement authorities, external auditors and accountants.

**The information-sharing infrastructure will lead to increased consistency**

A strong regulatory body is essential to ensure consistency and high quality accounting standards that serve globally operating companies. The information-sharing infrastructure will foster an even more consistent application of IFRS throughout the globe. Therefore, we are pleased that the International Organization of Securities Commissions Technical Committee has established an IFRS Regulatory Interpretation and Enforcement Database. We note that access to the database is currently restricted to securities regulators. We urge that consideration be given to allowing public access to this database, similar to the Committee of European Securities Regulators (CESR) publishing its rationale for enforcement decisions. This information would be of value to all parties involved with developing and using IFRS and useful to assist in the continual improvement of IFRS. However, caution is needed so that this sharing of enforcement decisions does not develop into a de facto IFRS "rulebook".

**Faithful application is not driven solely by regulators**

Based on our experience, our general perception is that IFRS is applied both faithfully and consistently. We have no observations as to whether there are material differences in the application of IFRS between companies that are registered under the Securities Exchange Act of 1934 (the "Exchange Act") and those not. However, we believe that faithful application is not primarily driven by regulators but rather imposed by the investment and the analyst community.

**The experience with IFRS is already substantial**

The degree of experience with the application of IFRS of issuers, the external audit profession, regulators and the various stakeholders will continue to develop over time. However, it is our perception that experience with IFRS has achieved an appropriate level.

**The number of foreign companies registered under the Exchange Act should not impact the timing**

We do not believe that the number of foreign company Registrants should impact the timing of adoption of the proposed rules.

**SEC engagement with the IASB**

We welcome the notion laid out in the proposal that the SEC engage with the IASB and/or the IFRIC in resolving emerging issues. In this regard, we believe it is important that the IFRS accounting framework be accepted as principals-based, and therefore reasonable judgments made by preparers and external auditors should be considered in the context of the principals underlying the relevant standard. In this context, regulators should avoid the development or issuance of extensive and detailed guidance of “correct” interpretations. Also, we think there should be a transparent process between the SEC and other regulators with the intent that accounting issues are first raised with the IFRIC. Furthermore, as described appropriately in the proposal, any interpretation by the SEC should be considered to be an interim measure only, rather than having permanent authority. Otherwise we see a risk that a “house of GAAP” emerges which would not be conducive to the objective of applying IFRS on a consistent basis globally.

**D) Summary (comments on Question 10.)**

**A single set of high-quality globally accepted standards is important to investors**

We recognize that having a single set of high-quality globally accepted standards is of paramount importance to allow investors to compare the financial information reported by companies regardless of the country in which they are incorporated or conduct business. However, the full potential of a single accounting framework will only be realized if the underlying standards are consistently applied. Therefore, the enforcement and the mitigation of institutional differences globally are key to developing a single accounting framework.

**Analysts and Investors are focused on primary GAAP financial statements**

Based on our experience, analysts and investors rarely make use of the reconciliation to U.S. GAAP. Rather, analysts and investors focus almost exclusively on the financial statements prepared under the primary GAAP, irrespective whether it is IFRS or U.S. GAAP.

### **III. DISCUSSION OF THE PROPOSED AMENDMENTS TO ALLOW THE USE OF IFRS FINANCIAL STATEMENTS WITHOUT RECONCILIATION TO U.S. GAAP**

#### **A) Eligibility Requirements (comments on Questions 11. to 17.)**

##### **The reconciliation to U.S. GAAP from IFRS is not considered key**

As noted above, we do not believe that the reconciliation is relevant to investors in making investment decisions. Our observation is that large, sophisticated investors use the information provided in primary GAAP financial statements to their view of the underlying economic reality. We believe that investors are generally more focused on how sustainable wealth is created and how this wealth accrues to shareholders.

##### **Filing deadlines for Form 20-F**

We believe that applying the same filing deadlines as those prescribed for annual reporting on Form 10-K would be inappropriate because foreign private issuers have the dual burden of meeting both home country and SEC requirements (including the Sarbanes-Oxley Act and incremental requirements of Form 20-F). In addition, many foreign private issuers require time to translate their home country annual report into English. A change of this nature could require significant additional investment in many foreign issuers' financial reporting infrastructure because the same employees and advisors who are responsible for preparing and reviewing the home country information are typically also responsible for the Form 20-F information. Any change to the existing filing deadlines for foreign issuers should be subject to further consultation including a detailed cost/benefit analysis. We understand that, if a U.S. GAAP reconciliation is no longer required, an acceleration of the Form 20-F filing deadline may be appropriate to increase the timeliness of the information presented. However, because of the reasons discussed above and the additional work required to meet U.S. requirements, we believe foreign private issuers should be given a reasonable period of time following their home country deadline to file Form 20-F.

##### **The reconciliation requirement should also be eliminated for the interim Financial Statements**

It is our view that a consistent approach should be maintained in respect of all financial information, irrespective of whether it is included in a filing for annual, interim or offering purposes. Accordingly, if it is deemed appropriate to eliminate the reconciliation requirement for the annual report, this should apply equally to interim financial information. Interim results should be reviewed in the context of the annual results. This link is made in APB 18, IAS 34 and Article 10 of Regulation S-X, which indicate that issuers may presume that users of interim information financial data will have read, or have access to, the latest published annual report. Eliminating the need for a reconciliation of interim period financial statements would indicate acceptance of IFRS financial statements

for the purposes of assessing an enterprise's interim performance. Since interim results are a component of the annual results it would be inconsistent to require a reconciliation for the one and not the other.

**Issuers should be able to make an unreserved compliance statement**

We do not see any reason why an issuer should not be able to make the necessary compliance statement. We consider the proliferation of different IFRS-based accounting standards as problematic since it may cause confusion and hinder the comparability of financial statements by users on a cross-border basis.

**B) U.S. GAAP Reconciliation (comment on Questions 18. to 25.)**

Article 10, as a part of Regulation S-X, is an incremental requirement for filings with the Commission and accordingly, we believe that a comparison between IAS 34 and Article 10 is inappropriate. Compliance with Commission filing requirements for interim information under U.S. GAAP requires the provisions of both APB 28 and Article 10 to be met, and accordingly for IFRS filers, compliance with SEC filing requirements for interim information under IFRS should be a combination of IAS 34 and Article 10. Therefore, in our opinion, IFRS filers should be required to comply with the requirements of Article 10.

**C) Accounting and Disclosure Issues (comment on Questions 26. to 34.)**

We support a consistent approach in respect of all financial information, both in current and prior periods. Accordingly, if it is deemed appropriate to eliminate the need for a U.S. GAAP reconciliation in the current interim or annual report, this should apply equally to prior period information. We do not believe that the inclusion of a U.S. GAAP reconciliation for prior periods would provide any benefit to investors and may lead to confusion.

**IV. GENERAL REQUEST FOR COMMENTS (comment on Questions 44. to 46.)**

We are convinced that the marketplace is prepared to offer a premium on reliable information provided consistently across the globe. Therefore we believe that market forces will dictate convergence in the long-run. Issuers also have an interest in a level playing field in respect of accounting standards and interpretations, so there is a market-inherent incentive towards convergence.