

February 28, 2006

**Re: Comments on Proposed Rules Relating to Termination of a Foreign Private Issuer's Registration of a Class of Securities Under Section 12(g) and Duty to File Reports Under Section 15(d) of the Securities Exchange Act of 1934
File No. S7-12-05**

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-9303

Dear Ms. Morris:

BBVA Banco Frances is one of the oldest and largest private banks in Argentina and it listed on the New York Stock Exchange in 1993 in connection with a public offering of its shares. It is also listed on the Buenos Aires Stock Exchange and the Madrid Stock Exchange. Banco Frances is one of the oldest and most widely traded stocks on the Buenos Aires Stock Exchange where it has been listed for over 100 years. In 1996, Banco Frances was acquired by Banco Bilbao Vizcaya Argentaria (BBVA), one of the largest banks in Spain and itself a NYSE listed company. Banco Bilbao Vizcaya Argentaria (BBVA) owns, directly or indirectly, 75.59% of Banco Frances. As a result, Banco Frances is not a WKSI because its non-affiliated market capitalization is below \$700mm. Although we strongly support the principles behind the SEC's rules, we are concerned that the rules, as proposed, do not appropriately take into account the situation of majority controlled subsidiaries such as BBVA Banco Frances.

Today, approximately, 8.44% of Banco Frances total capital is represented by its ADR program. However, using the SEC's rules which require a test based on free float and the exclusion of affiliates, such as Banco Bilbao Vizcaya Argentaria (BBVA) from the calculation, then BBVA Banco Frances US investor base is artificially raised to approximately 30%. Based upon our preliminary research, the vast majority of our US investors (19.44% out of the 8.44% investing through the ADR program) appear to be qualified institutional buyers. We have also concluded that we have approximately 900 US investors although the number may be somewhat higher. For a number of reasons, including most predominantly, the cost of compliance with Section 404, BBVA Banco Frances may be seriously considering deregistration.

As a policy matter, we believe that BBVA Banco Frances is within the spirit of the deregistration rules as expressed by the SEC Commissioners and the Staff. We have not

made a public offering in the United States since 1993 and do not intend to use the US public capital markets. The vast majority of our US investors are QIBs and US investor interest in this majority-owned subsidiary is very low. Although there has been no in-depth testing, based upon contacts by investor relations, BBVA Banco Frances believes that to the extent US retail investors have invested in BBVA Banco Frances these investors are largely Argentines who have immigrated to or are temporarily in the United States.

Yet, as a result of decisions taken by the SEC staff with respect to rules that were formed at previous times and for other purposes, the result of the proposed rules is that BBVA Banco Frances has no means to deregister.

BBVA Banco Frances supports the comments that are being made by a number of others to exclude QIBs from the investor percentage calculation altogether or to raise the number of US investors to 3,000. BBVA Banco Frances believes that it is unlikely to benefit from an increase in the free float percentage test in light of the artificial raising of the percentage given the SEC's calculation rules.

BBVA Banco Frances' position, as a 75.59% owned subsidiary is relatively unusual. As a result, we recommend that, even if QIBs are excluded in the final rule, that the Commission should create, in the rule or text in the final release, a mechanism by which decisions can be delegated to the Staff about permitting companies that may not fit within the four corners of the rule to deregister after undergoing a specific procedure with the Staff. We would expect that the Staff could come up with principles which consistent with the spirit of the deregistration rule as finally adopted would provide a framework for decision-making in such situations.

We appreciate the opportunity to participate in this process and we look forward to its successful completion. If we can be of any further assistance to the SEC Commissioners, please feel free to contact us, or our legal advisor Davis Polk & Wardwell (Mr. Andres Gil or Mr. Luis Mendoza Phone N# 212-450-4779/4886).

BBVA Banco Frances, S.A.

By: 

Title: EVELINA SARRAIHAN
Directora
SERVICIOS JURIDICOS


ADRIAN BRESSANI
APODERADO