CREDIT SUISSE

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13 November 2008

Ms. Florence Harmon
Acting Secretary
Securities and Exchange Commission
100 F Street, NW
Washington, DC 20549-1090
USA
Rules-comments@sec.gov

File Number 4-573

Dear Ms. Harmon:

Credit Suisse Group ("CSG") welcomes the opportunity to provide comment in regards to the SEC's study of mark-to-market accounting as it applies to financial institutions. 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").

Overall, we are supportive of a principles-based approach to fair value measurement as defined by FAS 157, *Fair Value Measurements,* and further clarified in FSP FAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active.* The guidance within these pronouncements reinforces that fair value measurement requires judgment, especially when markets are illiquid or inactive. Fair value accounting is not a new accounting methodology, but has only been clarified within the referenced guidance to define how an asset or liability should be valued based on a uniform approach. We believe the current wave of opposition to the fair value measurement standard is misdirected as fair value accounting does not mandate the types of instruments that are required to be measured at fair value.

As a financial institution that manages the risk of many of our assets and liabilities on a fair value basis, we strongly support the option to elect fair value measurement under FAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statement No. 115*, for financial assets and liabilities that were previously required to be accounted on an accrual basis. Substantial portions of our business are managed on a fair value basis and, as a result of the option, we are able to replicate the risk management techniques within the accounting results. Although the optionality inherent in the standard reduces comparability among peer entities, the option allows presentation of those activities in what we believe to be a meaningful manner, as our financial statements more accurately reflect the economic reality of the underlying assets and liabilities, as well

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as the effectiveness of our risk management techniques. As such, we believe that fair value reporting is the best method for providing transparency to investors.

Fair value accounting provides investors with useful information regarding financial instruments in normal market conditions. However, we acknowledge there are challenges with its application in a distressed market. Currently, we observe cash transactions on loan products that vary widely from prices for credit default swaps ("CDS") of the same underlying instrument most likely due to illiquidity and distressed transactions in the cash market. Not only have consistent, historic relationships between the cash and CDS markets recently diverged, but cash prices have also declined to a level below that of probable future cash flows on a discounted basis. Recent guidance issued by the FASB and the SEC states that distressed transactions are not determinative when measuring fair value, and that determining whether a particular transaction is forced or disorderly requires judgement. Although it is not appropriate to conclude that all market activity represents forced liquidations or distressed sales, we feel that in certain rare instances of illiquidity, the market itself can be viewed as distressed due to the lack of willing buyers. We would welcome additional guidance to assist in the judgement process to consider activity in these distressed markets, including the number of market participants to ensure that liquidity is considered, and its effect on fair value principles.

We do not believe that fair value accounting was the cause or even a contributing factor to the current credit crisis. Fair value accounting did not create the losses, but rather reflected the market conditions by initially bringing to light the impact of poor lending practices and the resulting effect on the current lack of liquidity and overall crisis in the financial markets. Fair value accounting reflects the effects of a transaction on an entity's financial statements. It does not, however, drive the underlying economic activity. Therefore, we urge the SEC to look objectively and analytically at the root causes of the crisis as opposed to the accounting standard that revealed it. The regulatory capital and liquidity requirements need to be differentiated from the accounting information that is primarily focused on providing useful information to investors. Thus, we encourage the regulators to review and refine, where applicable, capital adequacy guidelines.

With respect to establishing or revising US accounting standards, we believe that an independent standard setting process should be maintained, free from undue political pressures or other outside influences. The Financial Accounting Standards Board ("FASB") has served as the independent board responsible for setting financial accounting standards recognized as US GAAP. Such independence is essential to ensure effective, reliable financial accounting and reporting standards. We believe the FASB has operated and continues to operate in the interest of investors and other users of financial information. This should also be used as a benchmark for the International Accounting Standards Board as we converge to one overall standard of accounting practice on a global basis.

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We would welcome the opportunity to further elaborate on these issues and concerns should you wish. 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 Patrick Ackerman on (212) 325-2051.

Sincerely,

Rudolf Bless
Managing Director
Chief Accounting Officer

Patrick Ackerman
Director
Accounting Policy and Assurance Group