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November 29, 2010

By email to: rule-comments@sec.gov
Ms. Elizabeth M. Murphy
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
USA

Re: Short-Term Borrowings Disclosures (File Number S7-22-10)

Dear Ms. Murphy:

The Institute of International Finance Senior Accounting Group appreciates the opportunity to comment on the captioned proposed rulemaking. The Senior Accounting Group represents financial institutions that operate globally. Members consist of financial institutions that file both in the United States and in other jurisdictions.

The Senior Accounting Group generally supports the proposals' objective to provide transparency about intra-period borrowing activity. However, we note particular transition challenges for foreign private issuers (FPIs) and some operational difficulties in providing the proposed disclosures.

Several of the financial institutions represented on the IIF Senior Accounting Group are FPIs that currently file annual financial statements and periodic registration statements with the SEC as bank holding companies. Most FPIs have obtained individual exemptions from disclosure of daily averages as required under the current Exchange Act Industry Guide 3, Statistical Disclosure by Bank Holding Companies (Guide 3) as a result of the undue burden and cost of calculating daily averages that are not required by the FPI's primary, home-country regulator. Monthly averages have generally been provided in place of daily averages. The proposals require that the proposed short-term borrowings disclosures including daily averages apply to filing FPIs as well. Although, the proposals do not require FPIs to compile this information on a quarterly basis, interim period disclosures are encouraged by the SEC and required for filings of periodic registration statements at interim periods under the proposed rulemaking. We further note that FPIs may also be subject to the Securities Act and would be required to present disclosure on a quarterly basis.

The Senior Accounting Group is concerned about the operational challenges for FPIs in meeting the new disclosures requirements. As noted, FPIs that had obtained exemptions do not currently compute daily averages. Significant systems changes and development would be needed to capture data for such new disclosures. Although our current understanding is that these additional requirements will not be effective until 2011, i.e. effective for periods ending no earlier than 30 June 2011 within registration statements, effective for periods ending no earlier than 31 December 2011 for annual statements, and with similar provisions for FPIs that might be required to present disclosure on a quarterly basis, it would be very helpful if the SEC could confirm this understanding.[1]

Given the significant challenge in implementation and the time required for modification of systems and procedures needed to gather daily information, we would urge the SEC to consider extending the effective date. Several Members are of the view that it would be a challenge to implement these additional requirements for inclusion in annual financial statements prepared for the 2011 fiscal year.

Moreover, with regard to transition, we urge the SEC to consider requiring such new disclosures on a prospective basis only. This would be consistent with the transition guidance allowed for nonfinancial companies. We note significant additional operational challenges to retrospective application. Not all financial data is currently available to recreate prior-period statistics on a daily basis. Information required would include daily information of fair-value measurements and netting of reverse-repurchase agreements and repurchase agreements. Although some of this daily information is currently available in risk management systems, it is not directly linked to financial reporting systems and only recorded manually on a monthly purpose. Hence, gathering and recompiling prior period-daily information cannot be done without considerable burden and cost. In our view, any benefit of such an exercise would not outweigh its cost. We also believe that there is no substantial reason why comparative amounts previously reported using monthly averages permitted under Guide 3 should be restated. However, we propose disclosure of the basis used for presenting the averages in the current and prior years to assist in the understanding of averages presented in comparative formats.

In addition, we think some flexibility should be considered in requiring disclosure of daily averages. For example, we think that close approximations should suffice. We note that the current Securities Act Industry Guide, Statistical Disclosure by Bank Holding Companies (Guide 3) states that "For each reported period, present the following information for each category of short-term borrowings reported in the financial statements pursuant to §210.0-04.11: …(3) The approximate average amounts outstanding during each reported period and the approximate weighted average interest rate thereon".[2] In our view, the current reference to approximate amounts should be retained. We do not support the required level of precision proposed as we do not believe such a level of precision significantly enhances the information value of disclosures where close approximates are not materially different.

In addition, the proposals seek comments on whether registrants should be required to provide the largest amount of short-term borrowings outstanding at any time during the reporting period (meaning intra-day as opposed to close of business) and whether this

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[1] It would as a practical matter not be possible to implement these additional requirements for inclusion in annual financial statements prepared for the 2010 fiscal year.

[2] http://www.sec.gov/about/forms/industryguides.pdf, pg 6

amount would be difficult for registrants to track.[3] At the moment, member firms do not generally track intra-day amounts on a daily basis. However, even if it is possible to track such amounts, we are doubtful that intra-day maximum balances would provide meaningful information. Intra-day balances include a varied mix of transactions including repurchase agreements. We also note that intra-day amounts are likely to be influenced by procedural factors such as batch processing, settlement-system requirements, and any administration queues. In our view, such factors are likely to render the maximum amount non-representative of actual exposures and hence unlikely to provide meaningful information.

The Institute of International Finance Senior Accounting Group appreciates the opportunity to comment on the proposed rulemaking. Should you have any questions about this letter or the views expressed, please contact the undersigned (dschraa@iif.com +1 202 857 3312) or Carol Wong (cwong@iif.com +1 202 857 3633).

Very truly yours,

[3] Request for comment, question 10, page 30.