



October 28, 2016

*Via Electronic Mail*

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: File Number S7-15-16, Proposed Rule: *Disclosure Update and Simplification*

Ladies and Gentlemen:

The Clearing House Association L.L.C. (“The Clearing House”)<sup>1</sup> is pleased to comment on the above-referenced Proposed Rule (the “Proposal”). The Clearing House strongly supports efforts to identify ways to improve the efficiency and effectiveness of disclosures. We are limiting our response to the questions in the Proposal that pertain to Bank Holding Companies and to areas which impact financial institutions in particular.

In general, we strongly support updating disclosure requirements that have become redundant, duplicative, overlapping, outdated, or superseded, in light of other SEC disclosure requirements, U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), International Financial Reporting Standards (“IFRS”), or changes in the information environment. We also support the review of those SEC disclosure requirements that overlap with, but require information incremental to, U.S. GAAP to determine whether to retain, modify, eliminate, or refer them to the Financial Accounting Standards Board (“FASB”) for potential incorporation into U.S. GAAP. We believe that such efforts at streamlining disclosure requirements will ultimately improve the delivery of information to investors without altering the total mix of information provided to investors.

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<sup>1</sup> The Clearing House is a banking association and payments company that is owned by the largest commercial banks and dates back to 1853. The Clearing House Association L.L.C. is a nonpartisan organization that engages in research, analysis, advocacy and litigation focused on financial regulation that supports a safe, sound and competitive banking system. Its affiliate, The Clearing House Payments Company L.L.C. owns and operates core payments system infrastructure in the United States and is currently working to modernize that infrastructure by building a new, ubiquitous, real-time payment system. The Payments Company is the only private-sector ACH and wire operator in the United States, clearing and settling nearly \$2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume.

In addition, we do not object to the SEC's proposal to eliminate certain bright-line disclosure thresholds, such as the 10% disclosure threshold for certain disclosures regarding repurchase transactions as discussed in section III.C.3 of the Proposal. We believe that a principles-based approach that requires disclosure based on the materiality and significance of an activity to an entity is more meaningful than a requirement to disclose information based on an arbitrary number. We believe that a bright-line disclosure threshold is not always a determinant of what is material to an entity, and as a result, such an approach may result in overly detailed disclosures where an activity is not significant to an entity, or conversely, may result in insufficient disclosure when an activity is material to an entity. Thus, we encourage the SEC and the FASB to take these considerations into account when reviewing the additional disclosure requirements for repurchase transactions in Rule 4-08(m) of Regulation S-X that are specified in section III.E.9 of the Proposal, and to require these incremental disclosures only when such information is considered material to an entity, rather than being triggered by a 10% bright-line disclosure threshold.

Finally, we encourage the SEC to continue to look for opportunities to streamline disclosures and to make this type of initiative part of its regular ongoing efforts, and to continue to work in close cooperation with other standard-setting authorities to develop disclosures that are complementary and neither duplicative nor inconsistent.

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In conclusion, we support the SEC's efforts to improve and enhance disclosures as detailed in the Proposal. We hope you find our suggestions useful. If you have any questions regarding our letter, please contact me at 212.613.9883 ([david.wagner@theclearinghouse.org](mailto:david.wagner@theclearinghouse.org)).

Respectfully submitted,



David Wagner  
Executive Managing Director, Head of Finance &  
Risk Affairs & Senior Associate General Counsel  
*The Clearing House Association L.L.C.*

cc: Mr. Mark Kronforst  
Mr. James Schnurr  
(Securities and Exchange Commission)

Mr. Russell Golden  
Ms. Susan M. Cospers  
(Financial Accounting Standards Board)

Ms. Joanne Wakim  
(Board of Governors of the Federal Reserve System)

Ms. Kathy Murphy  
Mr. Louis A. Thompson, Jr.  
(Office of the Comptroller of the Currency)

Mr. Robert Storch  
(Federal Deposit Insurance Corporation)