KfW
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February 10, 2005

Via E-mail (rule-comments@sec.gov)

Mr. Jonathan G. Katz, Secretary,
Securities and Exchange Commission,
450 Fifth Street, NW,
Washington, D.C. 20549-0609.

Re: Securities Offering Reform - File No. S7-38-04

Dear Mr. Katz:

We are pleased to submit this letter in response to the Commission's request for comments on its Securities Offering Reform proposals as contained in Release Nos. 33-8501 and 34-50624 (Nov. 3, 2004), 69 Fed. Reg. 67,392 (Nov. 17, 2004).

KfW endorses the Commission's efforts to liberalize and modernize the registered offering process as reflected in the proposals. However, we understand that under the Commission's proposals as drafted, KfW and similarly situated Schedule B issuers that regularly access the US public securities markets would not benefit from the reforms. We respectfully request that the Commission reconsider this position.

KfW is among the most active and widely followed issuers of debt in the world. Our debt securities benefit from an unconditional statutory guarantee of the Federal Republic of Germany and are rated triple A by the major rating agencies. Either directly or through our wholly-owned subsidiary KfW International Finance, Inc., KfW has been accessing the public US capital markets through SEC registered offerings on a regular basis since 1987—almost 20 years. Since 1992, KfW has been voluntarily filing reports with the Commission under the Securities Exchange Act of 1934 under procedures that have been made available to us and other Schedule B issuers for the purpose of facilitating the registration process.

KfW filed its most recent amendment to its shelf registration statement in December 2004. In the six week period between January 1 and February 12, 2005, KfW has already closed four global offerings under the shelf for aggregated gross global proceeds of approximately $9.5 billion. Between the previous amendment to our registration statement in December 2002 and December 2004, KfW effected 17 global offerings for aggregate gross proceeds in excess of $50 billion.

Notwithstanding the issuance history of KfW and the wide following of our debt securities in the bond markets, we understand that under your proposals KfW and other Schedule B issuers would not benefit from the reforms—in particular the automatic shelf registration procedures—benefiting so-called well known seasoned issuers. On the other hand, larger US and non-U.S. companies reporting with the SEC, and even smaller reporting companies that publicly issued more than $1 billion of debt securities in a three year period, would be entitled to these benefits.

We respectfully request that you reconsider your proposals to allow Schedule B issuers such as KfW to benefit from the modernizations offered by the proposed new rules.

As an example of the kind of provision that would appear to fit well within the regulatory framework you propose, we would suggest that you consider expanding the definition of well-known seasoned issuer to include, for purposes of registrations of debt securities only, Schedule B issuers that have issued more than $1 billion in debt securities in the previous three years pursuant to offerings all or portions of which were registered under the Securities Act.

Sincerely yours,

/s/ Dr. Frank Czichowski
Dr. Frank Czichowski
Senior Vice President and Treasurer

/s/ Jochen Leubner
Jochen Leubner
Vice President

cc: Paul Dudek, Chief, Office of International Corporate Finance
(Securities and Exchange Commission)