



EAST WEST BANK

MAR 08 2011

REG-146097-09

CC:PA:LPD:PR (REG-146097-09), Room 5203,
Internal Revenue Service
PO Box 7604
Ben Franklin Station,
Washington, DC 20044

February 22, 2011

RE: IRS REG-146097-09

Dear Sir/Madam:

California based East West Bank is the largest bank in the nation targeted at serving the Asian American communities throughout the United States of America. With over \$20 billion in assets, and servicing more than half a million customers in five states including California, Washington, Texas, Georgia, Massachusetts and New York, our customer base, though Asian, is diverse in education, profession, age and even nationality. With an overseas network that spans Greater China, our customers include Non-Resident Aliens (NRAs) who bank with us to provide them with a variety of financial services. We are writing to express our strong opposition to the subject proposed regulation.

Our bank, having grown by 64% in the last year, is healthy not by chance – but by watching our bottom line, coupled with a strategic expansion of our branch network as we continue to provide the most optimal service to our clients and customers. The proposed legislation would increase time and resources needed to gather, compile and report interest paid to every client that is a NRA. Current reporting of interest earned includes a single page document, as necessary for tax reporting purposes that is electronically compiled and sent to the Internal Revenue Service. Having to identify and separate the NRA account holders and prepare a 17 page document would involve multiple service hours to collect, validate and input data before the filing is completed for NRA customers. This not only puts a significant burden on our accounting and back office operations, but would have the potential to seriously hurt our bottom line by increasing cost of operations.

As we have expanded our branch network nationally and across the Pacific in Greater China, our growth has included the banking relationships with overseas clients. The profile of these customers are varied as they are diverse. It is not yet known what the impact of providing NRA interest income information to the customer's homeland will have on the status of the accounts currently maintained with us. Furthermore, it is possible that the possible exposure of overseas accounts could potentially impact the political and social standing of the customer in their home country. As a nation dependent

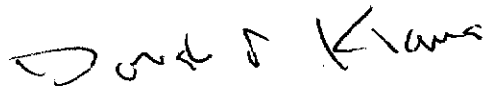
on bank deposits to fund development and homeownership leading to economic growth and prosperity, we should not raise the possibility of preventing inflow of deposits and investments from overseas, much less cause a mass exodus of funds already in deposit

with our nation's financial institutions. We ask that the implications and repercussions of providing such reports be considered.

Lastly, we wonder what the act of providing such information will bring to the table for the United States. In the spirit of exchanging intelligence and information, and we dare not presume knowledge nor assume any expertise in International Affairs, but without prior consensus, is this a mutually worthwhile goal, particularly where resources and revenues are concerned.

At a time when the nation is considerably lacking the funds to fuel the recovery of the economy, we sincerely and respectfully oppose the proposed regulation and ask the IRS to withdraw the proposed legislation.

Sincerely,

A handwritten signature in black ink that reads "Douglas P. Krause". The signature is written in a cursive style with a large initial "D" and "K".

Douglas P. Krause
General Counsel
East West Bank