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Project Manager
International Financial Reporting Interpretations Committee
30 Cannon Street, First Floor
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IFRIC DRAFT INTERPRETATION D23 *Distributions of Non-cash Assets to Owners*

Dear Sir or Madame

Thank you for the opportunity to comment on the IFRIC DRAFT INTERPRETATION D23 Distributions of Non-cash Assets to Owners. On behalf of Volkswagen AG, Wolfsburg, we are pleased to provide you with remarks on the proposed International Financial Reporting Interpretation in response to your Invitation to Comment.

We disagree with the proposed Treatment of *Distributions of Non-cash Assets to Owners*. This is based on the following reasons.

The proposed treatment of distributions of non-cash assets to owners leads to an accounting mismatch between the assets accounted for at cost and the liabilities accounted for at the fair value of the assets and therefore could be misleading. The alternative valuation of assets at fair value could be misleading too, at least because it is doubtful that there is an active market for all categories of non-cash assets.

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The amount recognized as a provision shall be the estimated expenditure required to settle the present obligation. This expenditure is – from an accounting perspective – the book value of the assets, which means cost or fair value less cost to sell, whichever is lower. Though there could be situations, when for minority protection or other cause knowledge about the fair value of the asset distributed would be also favorable. If this information would be relevant, it could be presented by a notes disclosure too.

Sincerely,

Karl Gadesmann