

Mr Alan Teixeira
Senior Project Manager
International Accounting Standards Board
1th Floor, 30, Cannon Street
London EC4M 6XH
United Kingdom

Ref. H 3.9 - Sü/To
Contact Silvia Schütte
Tel. +49 30 16 63 2210
Fax +49 30 16 63 2299
E-mail silvia.schuette@bdb.de

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By e-mail: CommentLetters@iasb.org

Discussion Paper: Management Commentary

Dear Mr Teixeira,

Thank you for the opportunity to comment on the discussion paper "Management Commentary".

Management reporting is an important issue, which is also gaining increasing prominence in the international arena. Its main purpose is to provide capital market participants, particularly investors, with information which is relevant to their investment decisions. Reflecting this objective of being an important means of communicating information in the capital markets, the content of the management report is determined in many countries by national rules and regulations which take account of the special features of their respective securities market (cf. Appendix B of the discussion paper).

We therefore regard management commentary as an integral part of financial reporting. At the same time, preparing and publishing management commentary is not, in our view, a matter which falls innately within the responsibility of an accounting standard setter. According to IAS 1.8, the scope of IFRSs is limited to financial statements. Management commentary is not part of a company's financial statements, however, but a complementary instrument. Naturally, there is a degree of interdependency between the individual components of financial reporting.

The question of how and in what form this financial information should be communicated to the capital markets is a matter primarily for national stock exchange regulators and

lawmakers. Since sometimes extensive rules on management commentary have already been issued by these bodies, a binding IFRS on the same subject would only generate additional reporting requirements and thus impose an additional burden on companies without delivering any tangible added value for users.

In addition, it should be borne in mind that the primary task of the IASB is to develop high-quality accounting rules which will guarantee the comparability and consistency of financial statements. It would be inappropriate, in our view, to draw up a binding IFRS on management commentary at this stage. Given that the IASB's resources are limited, its activities should be focused first and foremost on the numerous issues currently under discussion which relate directly to the preparation of financial information.

Should you require any further information, please do not hesitate to contact us.

Yours sincerely,



Katrin Burkhardt



Silvia Schütte