

DAIMLERCHRYSLER

Ms. Nancy M. Morris
Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549-1090
USA

September 15th, 2007

RE:

**RELEASE NOS. 33-8818; 34-55998
INTERNATIONAL SERIES RELEASE NO. 1302
FILE NO. S7-13-07**

**ACCEPTANCE FROM FOREIGN PRIVATE ISSUERS OF FINANCIAL
STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS WITHOUT RECONCILIATION TO
U.S. GAAP**

Dear Ms. Morris

thank you for providing the opportunity to comment on this U.S. Securities and Exchange Commission ("SEC") proposed rule. DaimlerChrysler AG ("DCAG") highly appreciates the SEC to issue this proposal to accept financial statements of foreign private issuers ("FPIs") that are presented according to International Financial Reporting Standards ("IFRS") without a reconciliation to United States generally accepted accounting principles ("U.S. GAAP"). We are pleased to respond to the proposed amendments.

The elimination of the reconciliation requirement is a major issue for FPIs and will significantly reduce complexity and costs in preparing financial statements filed with the SEC. This step towards a single set of high-quality globally accepted accounting standards is important for globally operating companies to maintain competitiveness and comparability.

Enclosed you will find DCAG's comments concerning certain proposed amendments.

Yours sincerely,



Robert Köthner
Vice President
Chief Accounting Officer



Dr. Friedrich Siener
Director
Methods Group

COMMENTS ON CERTAIN PROPOSED AMENDMENTS

International Financial Reporting Standards

All publicly traded companies domiciled in an EU member state have to prepare their consolidated financial statements in accordance with IFRS beginning with 2005 (under certain conditions beginning with 2007). Moreover, IFRS are today the required or allowed set of accounting principles for financial reporting in more than one hundred countries around the world. The number of foreign issuers filing with the SEC, that represent in the footnotes to their financial statements that their financial statements comply with IFRS, is steadily increasing.

IFRS standards are developed through an international due process that involves accountants, financial analysts and other users of financial statements, the business community, stock exchanges, regulatory and legal authorities, academics and other interested individuals and organizations from around the world. Thereby the IASB consults the public for comment or conducts field tests.

Therefore, DCAG holds the opinion that the IFRS are a widely used comprehensive set of high-quality accounting principles.

Timing of the SEC's acceptance of IFRS financial statements without a U.S. GAAP reconciliation

In recent years, FPIs have gathered experience in preparing IFRS financial statements, presenting consistent, comparable and reliable financial statements. In this respect, DCAG requests the SEC to eliminate the reconciliation requirement to U.S. GAAP for year-end financial statements and interim financial information in accordance with IFRS, starting with the financial year 2008. There seems little benefit for users of financial statements of reconciled 2008 interim period financial statements whereas year-end financial information for the 2008 financial year does not contain any reconciliation to U.S. GAAP.

The SEC should eliminate in any case the need for the U.S. GAAP reconciliation requirement with respect to required interim period financial statements prepared using IFRS for use in continuous offerings.

In case of the elimination of the reconciliation requirement for 2008 year-end financial statements only, there should be an exception for the application of SFAS 157 "Fair Value Measurements" issued by the FASB on September 15th, 2006, effective for financial years beginning after November 15th, 2007 in interim financial statements 2008.

SFAS 157 causes users to verify and, if necessary, adjust fair value measurement for all items which are measured at fair value. Applying SFAS 157 could create new differences to IFRS, what would lead to a substantial increase of complexity in measuring assets and liabilities. That fact

and the additional extensive disclosure requirements of SFAS 157 lead to significant efforts for companies, resulting in the extension of the reporting system, training of company personnel and gathering of information. These efforts seem not to be appropriate for the preparation of only one interim report in 2008.

Therefore, DCAG would ask the SEC in case the reconciliation requirement for 2008 is only eliminated for year-end financial statements at least not to require the application of SFAS 157 for FPIs in 2008 interim financial statements on cost benefit grounds.

Use of EU-IFRS

With the proposed amendments, the SEC accepts the English language version of IFRS as published by the IASB ("IASB-IFRS") for SEC filings. Using jurisdictional variations of IASB-IFRS would force FPIs to be obliged to reconcile their financial statements to U.S. GAAP in filings with the SEC.

Due to legal restrictions, publicly traded companies domiciled in an EU member state, have to comply with the EU Endorsement mechanism. The consequence is a time lag from transferring IASB-IFRS into EU legislation as EU-IFRS. Therefore, publicly traded companies in the EU face the problem of adopting new IFRS regulations early. Additionally, regulations might not be fully adopted in EU legislation. Preparing IASB-IFRS as well as EU-IFRS financial statements in parallel, i.e. two full sets of financial statements, would raise costs for those FPIs significantly. As generally known, the EU is in close contact with the SEC to consider as an alternative to IASB-IFRS the allowance of EU-IFRS for SEC filings.

Therefore, DCAG would welcome the allowance for FPIs to file their financial statements with the SEC in accordance with EU-IFRS without the requirement to provide reconciling information.

In case the SEC does not allow FPIs to file EU-IFRS financial statements, DCAG requests the SEC to give FPIs the choice between filing those full IASB-IFRS financial statements and filing EU-IFRS financial statements, which are reconciled to IASB-IFRS. We believe - as a consequence to the equivalence between U.S. GAAP and IFRS - that this would be comparable to today's alternative when filing financial statements reconciled to U.S. GAAP instead of filing full U.S. GAAP financial statements.

Deadline for filing annual reports according to Form 20-F

The SEC is considering shortening the deadline for annual reports on Form 20-F, asking commenters whether to accelerate the deadline from the current six to five, four or three month or another period.

In this respect, DCAG is of the opinion that the SEC should not shorten the deadline for filings of annual reports in accordance with Form 20-F.

Item 18 disclosures

An Item 18 of Form 20-F reconciliation requires FPIs to provide the complete information required by U.S. GAAP and Regulation S-X in addition to the information already required by Item 17 of Form 20-F. In this respect, DCAG agrees on the SECs proposal to revise Item 18 of Form 20-F to indicate, that disclosures required by U.S. GAAP and Regulation S-X would not be required if a registrant files its financial statements according to IFRS. Taking the "Roadmap" for Convergence between the FASB and the IASB into account, our understanding is that reporting under IFRS also requires comprehensive disclosures, which are equivalent to the disclosures required by U.S. GAAP and the SEC respectively.

IAS 34 vs. Article 10 of Regulation S-X

DCAG is of the opinion that information required by IAS 34 is adequate for investors. Thus, FPIs should not be required to comply with Article 10 of Regulation S-X when preparing their interim period financial information according to IAS 34.

Selected financial data

When FPIs are allowed to omit the reconciliation requirement, DCAG believes that it is not reasonable to require those FPIs to disclose in their selected financial data previously published information based on the U.S. GAAP reconciliation with respect to previous financial years (or interim periods). There seems to be little benefit for investors to have on the one hand financial data for some years that is reconciled to U.S. GAAP whereas on the other hand to have financial data for some years that is not reconciled.

Therefore, DCAG requests the SEC to accept the disclosure of previously published information according to IFRS in the selected financial data from companies reporting under IFRS even if a company could not provide this IFRS information to cover the required five years of selected financial data. In case IFRS selected data is not available for full five years, companies should be enabled to submit financial information only for those financial years available (e.g. DC as first time adopter starting IFRS reporting in 2007, would present selected financial data in 2008 financial statements for the years 2005-2008).

Separate historical financial statements of another entity

DCAG welcomes that the application of the proposed amendments would, if the audited financial statements of a foreign acquired business or investee are in accordance with IFRS, enable FPIs to omit the reconciliation for those financial statements.

Safe harbor provision for IFRS 7

Regardless of omitting the U.S. GAAP reconciliation from IFRS financial statements, the preparers of IFRS financial statements must comply fully with the comprehensive body of IFRS accounting principles in their filings with the SEC. This involves disclosure of forward-looking information according to IFRS 7 within financial statements. That forward looking information has to be contained in a footnote to the IFRS financial statements other than the similar Item 11 of Form 20-F disclosure, which is disclosed outside financial statements and therefore is subject to a safe harbor provision (concerning “forward looking information”).

Therefore, DCAG would welcome a similar safe harbor provision or other relief or statement for IFRS 7 forward-looking disclosure within financial statements.