

THE SECURITIES ACT

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Order No. 4306

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Section 20

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October 24, 2003

VW CREDIT CANADA, INC.

WHEREAS:

(A) VW Credit Canada, Inc. (the "Issuer") and Volkswagen Aktiengesellschaft ("Volkswagen" or the "Guarantor"), (collectively, the "Applicants") have applied to The Manitoba Securities Commission (the "Commission") under subsection 20(1) of *The Securities Act*, R.S.M. 1988, c. S50 (the "Act") for an order that in connection with an issue of direct, unconditional, unsecured and unsubordinated notes of the Issuer due September 22, 2008 (the "Series A Notes") and in connection with such other evidences of indebtedness for borrowed money (collectively, including the Series A Notes, the "Notes") as the Issuer may issue in the future pursuant to the Indenture (defined below), exempting the Issuer from Parts VIII and IX of the *Securities Regulation*, M.R. 491/88R (the "Securities Regulation").

(B) The Applicants have represented to the Commission that:

1. the Issuer is a wholly owned, indirect subsidiary of the Guarantor, with its principal office located at 3333 Cote Vertu, Suite 500, St. Laurent, Québec, H4R 2N1;

2. the Issuer was incorporated on November 21, 1989;

3. the primary activity of the Issuer is to act as a finance affiliate of Volkswagen Canada Inc., providing a wide range of automobile-related financing products, including wholesale floor plan financing, to Volkswagen and to Audi dealers, as well as providing retail financing and customer lease financing;

4. the Guarantor was incorporated in 1960, as a joint stock company (Aktiengesellschaft), in Wolfsburg, Federal Republic of Germany, its name being changed to "VOLKSWAGEN AKTIENGESELLSCHAFT" by resolution of the annual meeting of its shareholders on July 4, 1985;

5. the principal and registered office of the Guarantor is at Wolfsburg, Federal Republic of Germany, its head office being located at Berliner Ring 2, D-38440 Wolfsburg;

6. Volkswagen is the controlling company of the Volkswagen group of companies, which consists of numerous subsidiaries and affiliates of Volkswagen in Germany and abroad;

7. the Guarantor and its consolidated subsidiaries (the "Volkswagen Group"), manufacture and distribute passenger cars, commercial vehicles, automotive components, parts and accessories, machines, tools and other engineering products;
8. neither the Issuer nor the Guarantor are or intend to become reporting issuers in Manitoba;
9. the Issuer has offered through agents in Manitoba and other jurisdictions of Canada \$250,000,000 in principal amount of the Series A Notes for its general corporate purposes pursuant to a Confidential Offering Memorandum dated September 15, 2003;
10. the Series A Notes are direct obligations of the Issuer and were issued on September 22, 2003 pursuant to the trust indenture (the "Master Indenture") dated September 22, 2003 between the Issuer, the Guarantor and The Canada Trust Company, as trustee. The Issuer may also from time-to-time issue additional Notes under indentures supplemental to the Master Indenture to evidence the indebtedness of the Issuer to holders of such additional Notes;
11. the Series A Notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to United States persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption therefrom is available;
12. the Series A Notes will bear interest at a rate of 4.83% per annum, payable in equal semi-annual instalments in arrears on March 22 and September 22 of each year (or if such day is not a business day, the next succeeding business day), beginning on March 22, 2004. Repayment of principal of the Series A Notes will occur on September 22, 2008, subject to earlier payment in certain limited circumstances, as described in the Indenture;
13. the Series A Notes will be unconditionally and irrevocably guaranteed by the Guarantor as to the payment of principal, premium, if any, and interest as specified in the Series A Notes;
14. the Series A Notes have been rated A by Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. and A (high) with a stable outlook by Dominion Bond Rating Service Limited;
15. since the Issuer's primary business is to obtain financing to fund the operations of the Volkswagen Group, the Issuer may be considered to be a "finance company" as that term is defined in Subsection 1(1) of the Securities Regulation;

16. the Guarantor will post on its web site audited consolidated annual financial statements of the Guarantor within 150 days of the end of its most recently completed financial year and shall maintain such posting until the consolidated financial statements of the Guarantor for the next ensuing financial year are posted on its web site in like manner;

17. No securities regulatory authority, other than the Commission, in any jurisdiction of Canada in which the Series A Notes were offered, has imposed any requirements that there be sent to the holders of the Series A Notes or to the holders of any other Notes, on an annual or any other basis, financial information or notification to such noteholders as to how to access any such financial information on the Guarantor's web site.

(C) The Commission is of the opinion that it would not

IT IS ORDERED:

1. THAT, pursuant to subsection 20(1) of the Act, in connection with the Notes, the Applicants be exempted from compliance with the requirements of Parts VIII and IX of the Securities Regulation, provided that the Guarantor shall post on its web site audited consolidated annual financial statements of the Guarantor within 150 days of the end of its most recently completed financial year and shall maintain such posting until its consolidated financial statements for the next ensuing financial year are similarly posted.

2. THAT the fee for this Order is \$25.00.

BY ORDER OF THE COMMISSION

Director - Legal