

## Volkswagen's Continued Emissions Fallout

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News of Volkswagen Group's [diesel emissions scandal](#) first broke in September 2015. Yet after four years, and more than \$30 billion in fines and settlement, legal repercussions stemming from the scandal continue today. Within the last week, German prosecutors brought stock market manipulation charges against three current and former executives. Additionally, the Federation of German Consumer Organizations (VZBV) initiated suit on behalf of 470,000 consumers. In response to these new charges, the company's [share price dropped](#) 2.4%.

The indictment against VW executives alleges that they were aware of the rigged emissions tests months before U.S. authorities brought the practice to light. Under the European Union's [Market Abuse Regulation](#) (MAR), publicly traded companies are subject to a continuous disclosure regime and must release known information "as soon as possible" to provide for "timely assessment" by the public and market. If German prosecutors are successful in proving the VW executives violated MAR by deliberately withholding information, they could face up to five years in prison.

Meanwhile, the suit brought on behalf of German consumers seemingly piggybacks on the [buyback offers and compensation](#) that was part of the company's settlement with consumers in the U.S. To date, VW has only paid out U.S. consumers for the scandal. The VZBV aims to show German car owners should be compensated as well because the company's emissions monitoring software similarly harmed them. However, VW vehemently asserts that German consumers lack a legal basis for their claims and refused the German court's initial request to [consider settling](#).

Since the scandal, Volkswagen has undertaken a rebranding of the company, somewhat ironically, by shifting its focus to affordable emission-free cars. Just last month, the company debuted a prototype of the ID.3, its new battery-powered vehicle. But despite its best efforts, the company's renewed legal battles may distract from its push to reestablish footing with consumers and reinvent the VW brand. It may take several more years before VW can earn the trust of their consumers and shareholders, and ultimately put this scandal behind them.

