

IAC.02.07. Inventory reserve

Process: [Inventory Valuation](#)

Responsibility area: [Internal Control Monitor](#)

Risk

Net realization value inventory reserve does not comply with group rules

Objective

GCCO updates every year slow turn inventory reserve calculation procedure for his/her perimeter

Process description

Inventories shall be measured at the lower of cost and net realizable value.

Control description

Syensqo GBS is preparing and sending the report with the Inventory reserves to the FRA and/or GCCO for analysis and validation

Scope:

WP2 & PF2

Frequency

Quarterly basis (Last working day of March, June, September, December)

Control owner

[GCCO](#)

References

- [Inventory Impairment](#)
- [OP.114](#)

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Control evidences





- [IAC 02.07 Stock reserve.xls](#)
- [Reports analyzed with comments](#)
- [Updated reserve decision](#)

Guideline

Stock Reserve Check-List / GCCO						
IAC 02.07						
N°	Control description	Done ?			Comments (compulsory for No and N/A)	Control Evidence (optional)
		Yes	No	N/A		
1	Selling price used for "financial depreciation" / NRV is justified (no confusion with intercompany transfer price)					
2	In case of post-closing significant decrease in market price for items hold in inventory, do-you communicate potential depreciation to accounting department?					
3	For the stocks linked to business contracts, is the valuation of the net realization value based on: - The price specified on the contract, if the quantities held aim to meet the conditions of some specific contracts. - The general selling prices, if the quantities specified on the contract are below the quantities stored.					
4	Do you record any reserve in order to reconcile the historical cost of the inventory and its market value under a sufficient coverage that guarantees the inventory realization value?					

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Nov 30, 2025	Actor	Type	Activity	Version
Published	 TORNPETCH, Ubonrat	State	changed state to Published at 5:36 am	v22
Draft	 TORNPETCH, Ubonrat	State	gave <i>Approvers</i> approval at 5:36 am	
From Aug 27, 2025 to Oct 22, 2025				
	 PIYACHOKANAKUL, Pareena	Edit	updated the page at 5:43 am	
	 PIYACHOKANAKUL, Pareena	State	changed state to Draft at 3:43 am	v21
Aug 14, 2024				
Published	 Gomes, Susana	Edit	updated the page at 11:55 am	