Tax Reporting in BFC SYENSQO

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1. Purpose and Content of Tax Reporting

This procedure describes purpose of **Tax Reporting** and how it is managed in BFC, as well as other **related customizing in other BFC modules**.

1.1 Purpose and Actors

Core principles

The tax package aims at **reporting the income tax charge at entity level**

The objective of the tax package is

- to isolate the Adjustments from the IFRS EBT
- to calculate the IFRS and Underlying income tax expense for the period

Scope: **WW consolidated companies (IG / IP / not required for MEQ)**

Actors involved and responsibilities

- **GAR Tax Reporting manager** is responsible
  - to calculate the IFRS and Underlying income tax expense for the period (at Group level);
  - to compute and monitor the Underlying Tax Rate (“UTR”) of the Group for continuing operations;
  - to monitor the income tax paid in the Free Cash Flow; and
  - to ensure compliance with IFRS requirements.
- **Country Accounting Managers** (“CAMs”) with the support of **Tax Compliance Managers** (“TCMs”) if any are responsible
  - to fill the tax packages in
  - to timely provide accurate information in BFC

1.2 Reporting periods and Content

Reporting periods for Taxes organized around :

- **Interim reporting** (quarterly: **March, June September**): **Projected tax rate methodology**
- **Hard Close** (October) and **Year-end** reporting: **Actual (enacted) tax rate methodology**

In order to comply with the above, the **tax package has been divided in two phases**

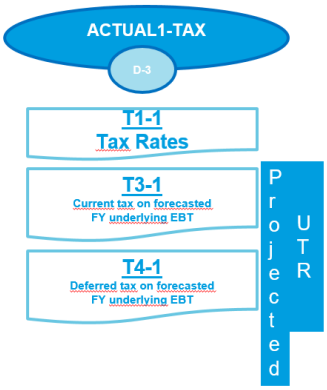
- **Actual1-Tax** phase/category that aims at calculating, during **interim periods,** the Underlying projected Tax Rate ("UTR") based on full-year forecasts of the Underlying EBT (Earnings Before Tax)
- **Actual2** phase / category that aims at calculating during **Hard Close and at Final Year End** the YTD income tax charge of the period

INTERIM PERIODS - overview

The only purpose of the Actual1-Tax package is to provide tax rates:

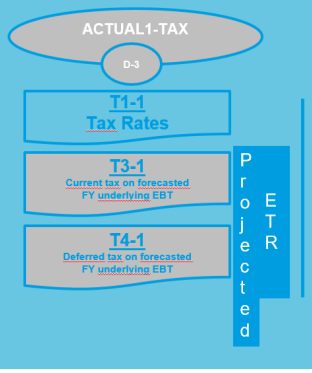
- **Enacted tax rates**: current vs deferred & standard vs reduced
  ⇒Data entry in the schedule T1-1
- **« Projected » tax rates**: Underlying only
  ⇒Computed in the schedules T3-1 (current taxes) and T4-1 (deferred taxes)

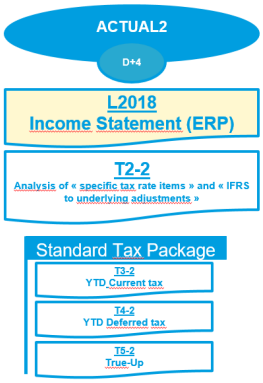
⇒No blocking controls between Actual1-Tax and Actual2 phases



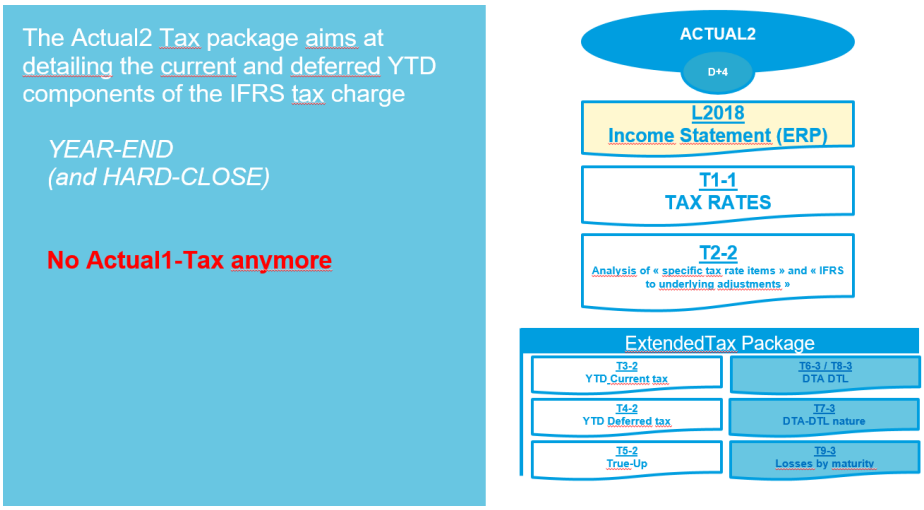
The Actual2 Tax package aims at detailing the current and deferred YTD components of the IFRS tax charge

INTERIM PERIODS





HARD CLOSE and YEAR END - overview



For more detail, refer to the Tax Package guidebook published in GAR AODOC Library.

1.3 BFC Administration's role

BFC Admin team is in charge of:

- **reporting set-up** and **package generation** related to both ACTUAL1-TAX and ACTUAL2 categories
- **specific pre-loadings** of the packages (Tax Rates / P&L YYYY.09 for Hard Close)

2. Definitions

GAR Team - SYENSQO Group Accounting & Reporting Team (including position of Tax Reporting manager)

BFC-Admin Team - Team administrating BFC (SYENSQO Group Consolidation tool)

FSL CAM - Company Account Manager

FSL TCM - Tax Compliance Managers

IG - Full Consolidated method

IP - Proportional Consolidation method

2. Reporting Setup

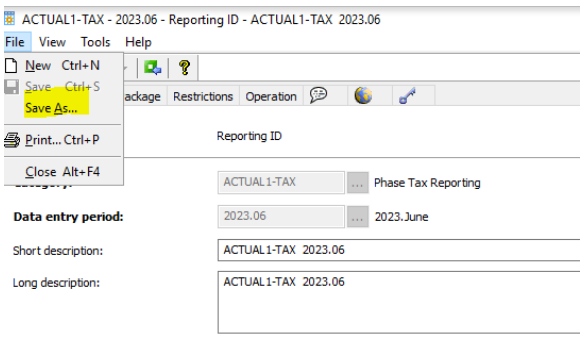
2.1 ACTUAL1-TAX (Interim periods: March, June and September)

2.1.1 Reporting Organizer

In the **Reporting Organizer** module it is created the Reporting ID and it is defined the common data for the packages, as the Deadline, Folder, Set of Controls, Opening Balances, etc.

An option to create the Reporting for a new period is through the option **Saving As** based in the last version available.

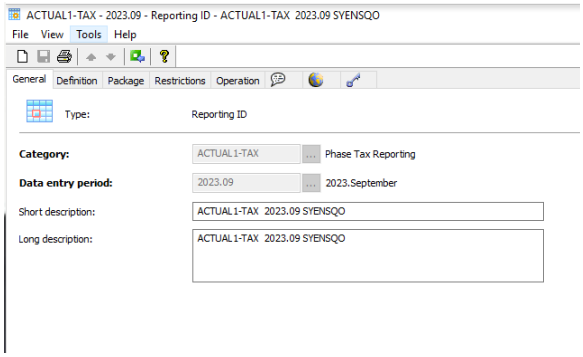
In this procedure it will be created the ACTUAL1-TAX category for the period 2023.09, so the Reporting ID to be entered as reference is **ACTUAL1-TAX** - 2023.06.



The **General** tab defines the general properties of the reporting ID.

Enter the following information:

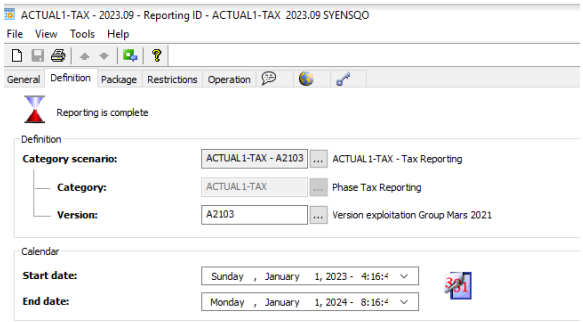
- **Category - ACTUAL1-TAX**
- **Data entry period -** YYYY.QQ
- **Short & Long description -** Phase Tax Reporting- YYYY.QQ



The **Definition** tab indicates the reporting status. It can also be specified the associated category scenario and the start and end dates for the reporting.

Enter the following information:

- **Version:** refer to this document **"BFC Admin Reporting set up per category and period"** to get the category scenario version to be used
- **Start & End Date:** It can be specified the scheduled start and end dates. The reporting status depends on these dates. Enter a large range, e.g. January 1st of current year to Jan. 1st next year.



The **Package** tab defines the settings of the data entry environment for the packages.

Enter the following information:

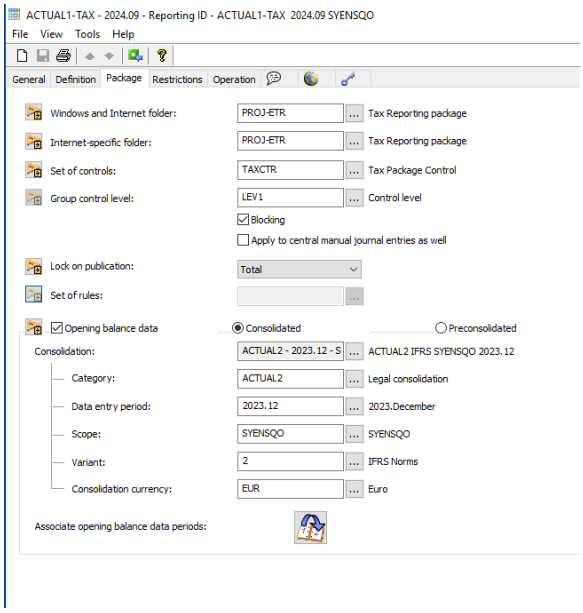
- **Windows and Internet folder**: refer to this document **"BFC Admin Reporting set up per category and period"**
- **Internet-specific folder**: refer to this document **"BFC Admin Reporting set up per category and period"**
- **Set-of controls**: refer to this document **"BFC Admin Reporting set up per category and period"**
- **Control level to be reached**: LEV1 - This field needs a special attention, because if any the previous field is changed this one is deleted, always ensure it is filled properly.

☑ **Blocking** - Flag the option Blocking

☐ **Apply to central manual journal entries as well -** MUST NOT be flagged

Opening Balance data:

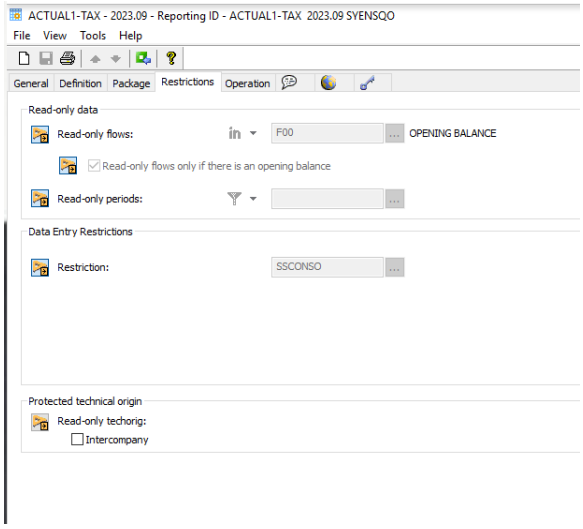
- **Category**: ACTUAL2 - as reference of Year End from previous year (no ACTUAL1-TAX at Year End)
- **Data entry period**: YYYY-1.12 - Inform the period which the opening balances are retrieved. Always December of previous year.
- **Scope**: SYENSQO- includes consolidated companies.
- **Variant**: 2 - IFRS Norms.



The **Restrictions** tab defines the data entry restrictions which are applied when the data is entered.

The flow **F00** (Opening Balances) must be informed in Read-only Flows, this way it will not be available for edition in the package.

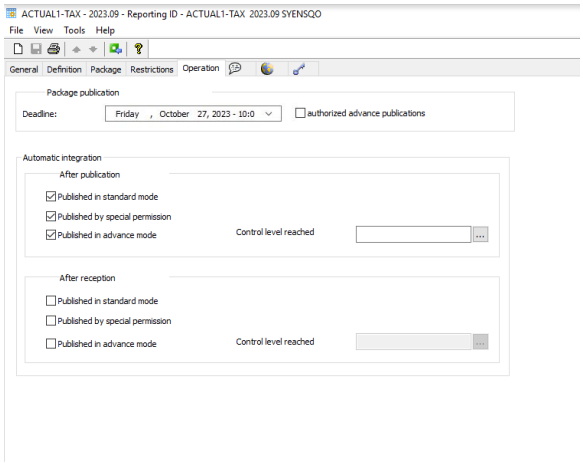
Data entry restrictions **SSCONSO**.



The **Operation** tab defines the settings to publish the packages.

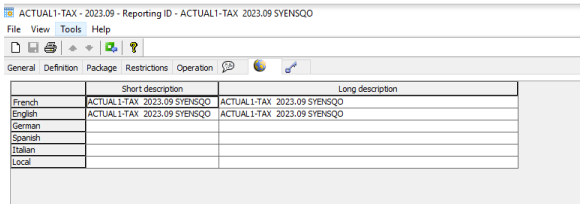
In the **Deadline** it has to be informed the date that the packages will have to be published.

It has to be changed each quarter, according to date defined in the SYENSQO Finance Accounting Closing Calendar available in the SYENSQO GAR AODOCs Library.



The **Translation** tab defines the object descriptions for the selected language.

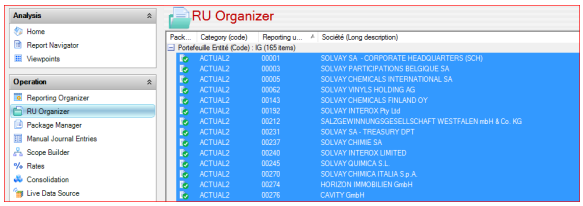
Both French and English should be informed.



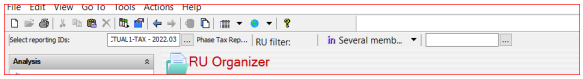
2.1.2 RU Organizer

In the RU Organizer we define the companies to be reported in the category.

Select the **IG and IP** packages in the RU Organizer module from **category ACTUAL2 / previous period** and copy (through the icon or Ctrl+C).

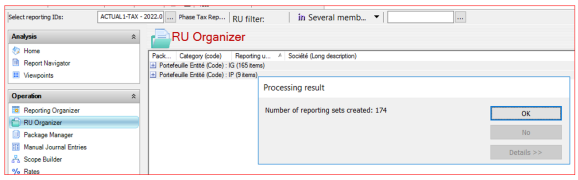


Change the period to the one that is being created and paste packages (through the icon or Ctrl+V).



Then the reporting packages are created in RU Organizer module.

Note that the packages will have the status , meaning that they are still not available in the Package Manager module.

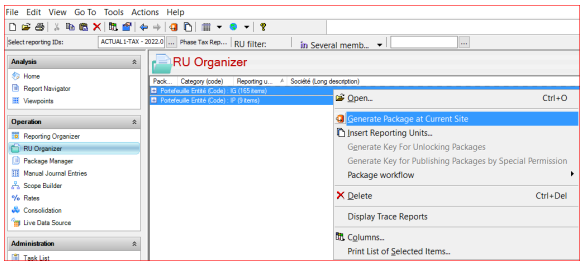


Before Generate the packages to the Package Manager module, ensure that all the companies are with the correct Consolidation Method (column Entity Portfolio), and if any company needs either to be added or deleted

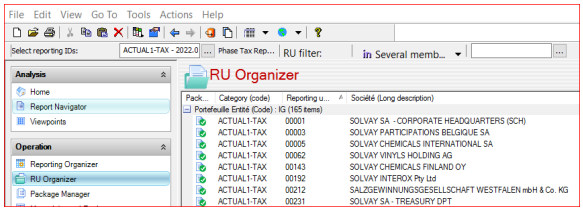
Companies entering or leaving the SYENSQO Group are registered in the following file **Syensqo Structure file** available in SYENSQO GAR AODOC Library

2.1.3 Package Manager

To make the reporting available in the **Package Manager** module, select all packages and with the right click choose "**Generate Package at Current Site**".



The package status changes to , meaning that the package are now available in the Package Manager module.



2.1.4 Automatic pre-load of Tax Rates in package data - ACTUAL1-TAX and ACTUAL2

2.1.4.1 Preloading in ACTUAL1-TAX

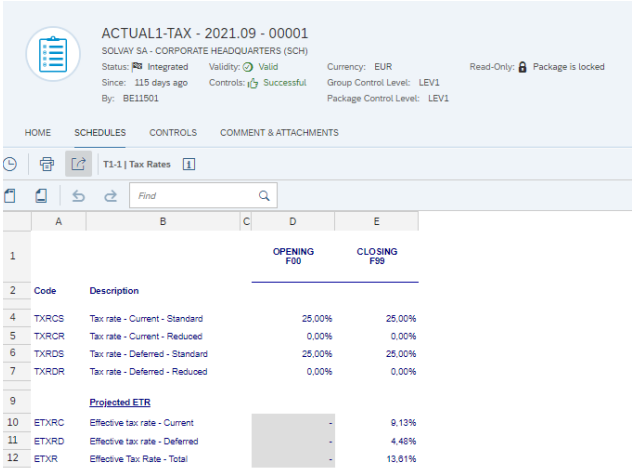
In order to facilitate the work from FSL CAM and TCM's, there are **formulas** in ACTUAL1-TAX category scenario to pre load **Tax rates in schedule T1-1, flow F99**, but **keeping them editable** ,as follow:

- ACTUAL1-TAX 03.YYYY = pre load 12.YYYY-1 from ACTUAL2 (no ACTUAL1-TAX in December)
- ACTUAL1-TAX 06.YYYY = pre load 03.YYYY from ACTUAL1-TAX
- ACTUAL1-TAX 09.YYYY = pre load 06.YYYY from ACTUAL1-TAX

Pre-loading based on formula from ACTUAL1-TAX category Scenario

```
{AC in (TXRCS; TXRCR; TXRDS; TXRDR) ; FL = F99} = IF ([PE = +0.03] ; {FL = F99 ; DP = -1.12 ; PE = -1.12 ; CA = ACTUAL2} ; IF ([PE = +0.06] ; {FL = F99 ; DP = +0.03 ; PE = +0.03} ; IF ([PE = +0.09] ; {FL = F99 ; DP = +0.06 ; PE = +0.06})))
```

Content of T1-1 Schedule



	A	B	C	D	E
1				OPENING F00	CLOSING F99
2	Code	Description			
4	TXRCS	Tax rate - Current - Standard		25,00%	25,00%
5	TXRCR	Tax rate - Current - Reduced		0,00%	0,00%
6	TXRDS	Tax rate - Deferred - Standard		25,00%	25,00%
7	TXRDR	Tax rate - Deferred - Reduced		0,00%	0,00%
9		Projected ETR			
10	ETXRC	Effective tax rate - Current		-	9,13%
11	ETXRD	Effective tax rate - Deferred		-	4,48%
12	ETXR	Effective Tax Rate - Total		-	13,61%

2.1.4.2 Preloading from ACTUAL1-TAX to ACTUAL2

To avoid double work in ACTUAL2 , there are **formulas** in ACTUAL2 category scenario to **pre load from ACTUAL1-TAX Tax rates in schedule T1-1-ACTUA2, flow F99**, **without any possible modification**, as follow:

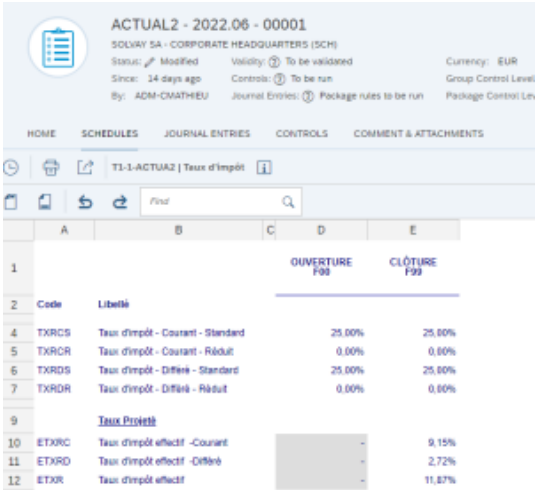
- ACTUAL2 03.YYYY = pre load 03.YYYY from ACTUAL1-TAX
- ACTUAL2 06.YYYY =pre-load 06.YYYY from ACTUAL1-TAX
- ACTUAL2 09.YYYY = pre-load 09.YYYY from ACTUAL1-TAX

Formula from ACTUAL2 category Scenario *(example below for TXRDS heading, same applies for the other tax rates headings)*

```
{AC = TXRDS ; FL = F99} = {AC = TXRDS ; FL = F99 ; CA = ACTUAL1-TAX}
```

```
[PE = +0.03] OR [PE = +0.06] OR [PE = +0.09]
```

Content of T1-1-ACTUA2 Schedule *(same layout as T1-1 schedule from ACTUAL1-TAX)*



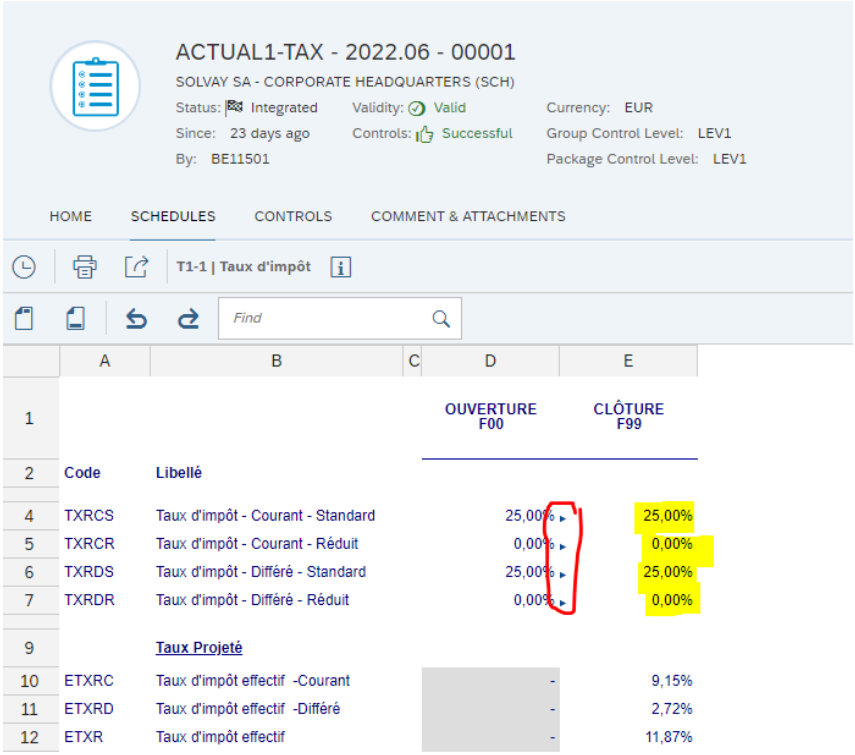
	A	B	C	D	E
1				OUVERTURE F00	CLÔTURE F99
2	Code	Libellé			
4	TXRCS	Taux d'impôt - Courant - Standard		25,00%	25,00%
5	TXRCR	Taux d'impôt - Courant - Réduit		0,00%	0,00%
6	TXRDS	Taux d'impôt - Différé - Standard		25,00%	25,00%
7	TXRDR	Taux d'impôt - Différé - Réduit		0,00%	0,00%
9		Taux Projeté			
10	ETXRC	Taux d'impôt effectif -Courant		-	9,15%
11	ETXRD	Taux d'impôt effectif -Différé		-	2,72%
12	ETXR	Taux d'impôt effectif		-	11,87%

2.1.5 Control of pre-loading of Tax rates ACTUAL1-TAX (WD-9) and ACTUAL2 (WD-2)

This control **can not be performed through Excel retrieves** as there is no way to generate a massive saving of **ACTUAL1-TAX packages right after their generation in WD-9, and the same for ACTUAL2 packages generated in WD-2.** Without the "Save" action, pre-loaded Tax rates can not be retrieved in Excel.

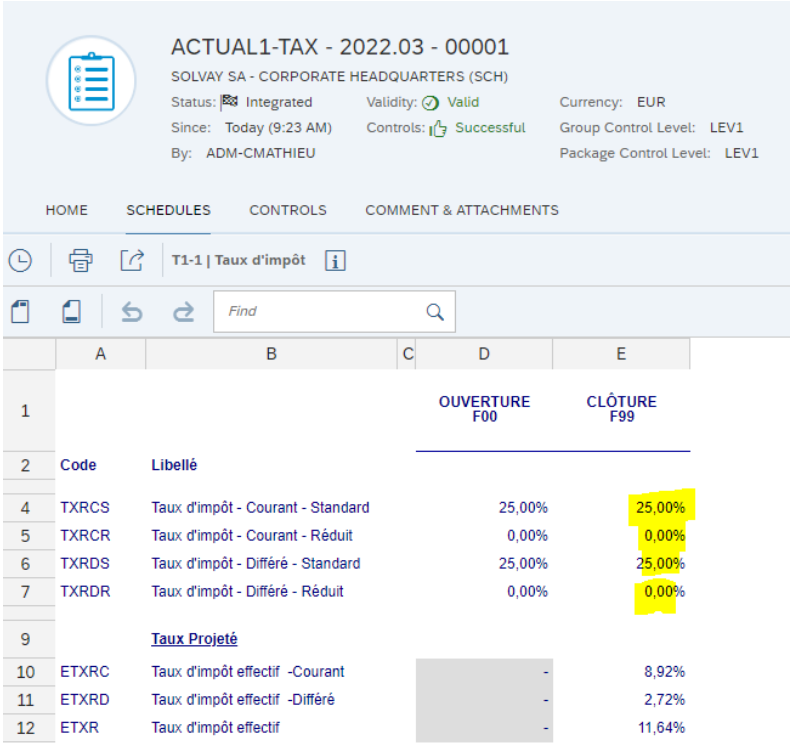
Thus, control will be performed through a **direct check in packages on a representative company - 02002 Syensqo SA - considering that if the formula works for one company it works for all** (no restriction or filter of companies in the settings of the Pre-loading formula):

- **Step 1 :** Open **ACTUAL1-TAX package of 02002 Syensqo SA** (in the below example June) and open **schedule T1-1** => check that **Tax Rates are pre loaded but remain editable** (blue triangle icon)



	A	B	C	D	E
1				OUVERTURE F00	CLÔTURE F99
2	Code	Libellé			
4	TXRCS	Taux d'impôt - Courant - Standard		25,00%	25,00%
5	TXRCR	Taux d'impôt - Courant - Réduit		0,00%	0,00%
6	TXRDS	Taux d'impôt - Différé - Standard		25,00%	25,00%
7	TXRDR	Taux d'impôt - Différé - Réduit		0,00%	0,00%
9		Taux Projeté			
10	ETXRC	Taux d'impôt effectif -Courant		-	9,15%
11	ETXRD	Taux d'impôt effectif -Différé		-	2,72%
12	ETXR	Taux d'impôt effectif		-	11,87%

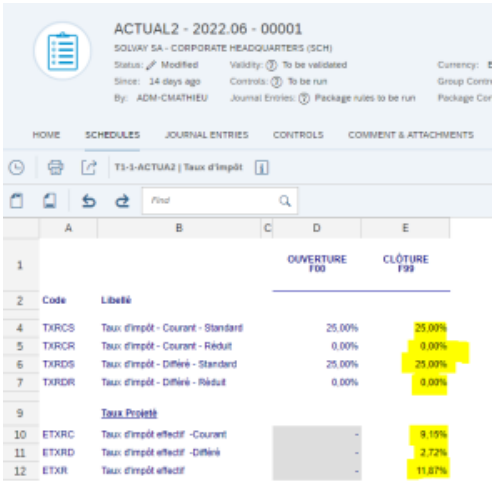
- **Step 2 :** Open (read only mode) **ACTUAL1-TAX package of 02002 Syensqo SA** on **previous quarter** (in the example below March) and open **schedule T1-1** => check that **Tax Rates from previous quarter** (non editable as previous quarter closed) **are the ones pre-loaded for the reporting period just generated (Step1)**



	A	B	C	D	E
1				OUVERTURE F00	CLÔTURE F99
2	Code	Libellé			
4	TXRCS	Taux d'impôt - Courant - Standard		25,00%	25,00%
5	TXRCR	Taux d'impôt - Courant - Réduit		0,00%	0,00%
6	TXRDS	Taux d'impôt - Différé - Standard		25,00%	25,00%
7	TXRDR	Taux d'impôt - Différé - Réduit		0,00%	0,00%
9		Taux Projeté			
10	ETXRC	Taux d'impôt effectif -Courant		-	8,92%
11	ETXRD	Taux d'impôt effectif -Différé		-	2,72%
12	ETXR	Taux d'impôt effectif		-	11,64%

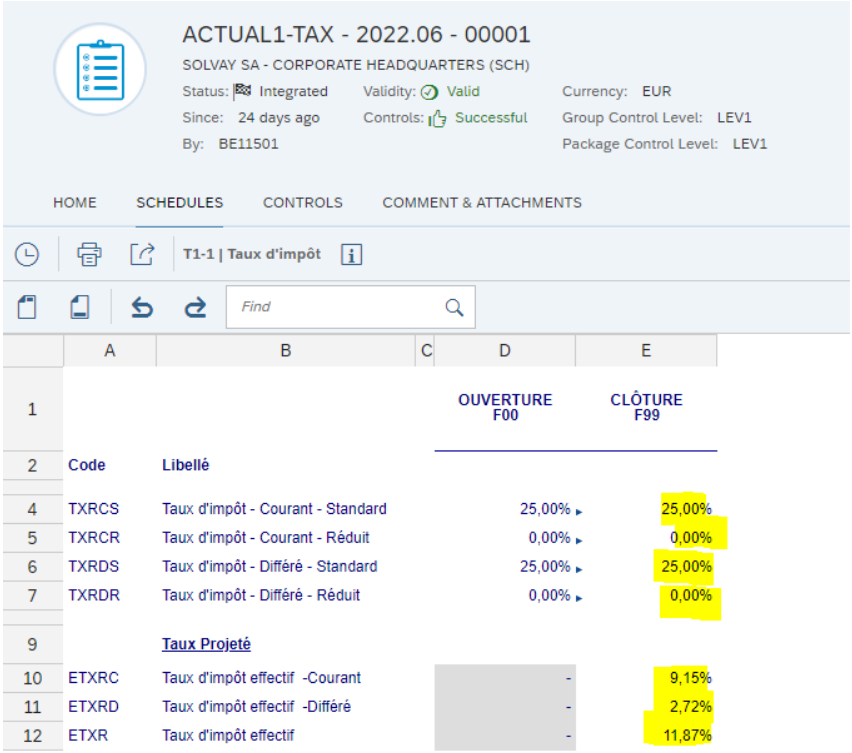
Few days later (WD-2) after ACTUAL1-TAX package generation (done in WD-9), **pre-loading of Tax Rates from ACTUAL1-TAX to ACTUAL2 packages** (generated in WD-2) **has to be checked as well.**

- **Step 3 : Open ACTUAL2 package of 02002 Syensqo SA** (in the below example June) and open **schedule T1-1-ACTUA2 =>** check that **Tax Rates are pre loaded with NON editable status** (no blue triangle icon).



	A	B	C	D	E
1				OUVERTURE F00	CLÔTURE F99
2	Code	Libellé			
4	TXRCS	Taux d'impôt - Courant - Standard		25,00%	25,00%
5	TXRCR	Taux d'impôt - Courant - Réduit		0,00%	0,00%
6	TXRDS	Taux d'impôt - Différé - Standard		25,00%	25,00%
7	TXRDR	Taux d'impôt - Différé - Réduit		0,00%	0,00%
9		Taux Projeté			
10	ETXRC	Taux d'impôt effectif -Courant		-	9,15%
11	ETXRD	Taux d'impôt effectif -Différé		-	2,72%
12	ETXR	Taux d'impôt effectif		-	11,87%

- **Step 4 : Open ACTUAL1-TAX package of 02002 Syensqo SA** (in the below example June) **and open schedule T1-1 =>** compare and check that the **same rates have been pre-loaded in ACTUAL2**



ACTUAL1-TAX - 2022.06 - 00001

SOLVAY SA - CORPORATE HEADQUARTERS (SCH)

Status: Integrated | Validity: Valid | Currency: EUR

Since: 24 days ago | Controls: Successful | Group Control Level: LEV1

By: BE11501 | Package Control Level: LEV1

HOME | SCHEDULES | CONTROLS | COMMENT & ATTACHMENTS

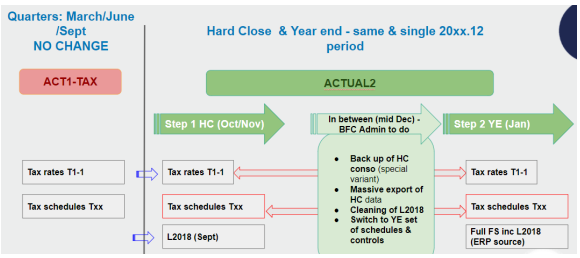
T1-1 | Taux d'impôt

Find

	A	B	C	D	E
1				OUVERTURE F00	CLÔTURE F99
2	Code	Libellé			
4	TXRCS	Taux d'impôt - Courant - Standard		25,00%	25,00%
5	TXRCR	Taux d'impôt - Courant - Réduit		0,00%	0,00%
6	TXRDS	Taux d'impôt - Différé - Standard		25,00%	25,00%
7	TXRDR	Taux d'impôt - Différé - Réduit		0,00%	0,00%
9		Taux Projeté			
10	ETXRC	Taux d'impôt effectif -Courant		-	9,15%
11	ETXRD	Taux d'impôt effectif -Différé		-	2,72%
12	ETXR	Taux d'impôt effectif		-	11,87%

2.2 Hard Close (HC) Tax opening

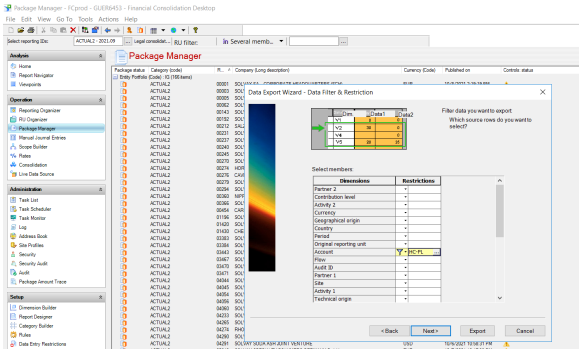
Hard Close and Year End are managed under a **single category ACTUAL2** and a **single December period (yyyy. 12).**



2.2.1 Pre-load of package data

Hard Close Tax packages need to be pre-filled with:

- **P&L data** (L2018 schedule)
- **Tax rates** (T1-1-ACTUA2 schedule)
- both taken **from ACTUAL2 09.YYYY**



2.2.1.1 Tax Rates pre-loading => automated

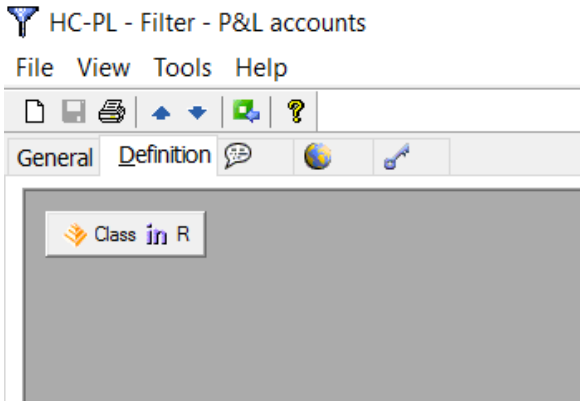
- **The pre-loading of Tax rates** in schedule T1-1-ACTUA2 is **au tomatically** done through **formula from ACTUAL2 Category Scenario:**

- No action required

2.2.1.2 Export ACTUAL2 YYYY.09 packs (P&L data)

- Export massively the ACTUAL2 YYYY.09 packs for IG & IP companies* **filtering on P&L** (“Accounts” filter to be used: **HC-PL** see content).

- File exported should be named as **09.YYYY ACT2 export.txt** and saved in this folder - select the folder of the year



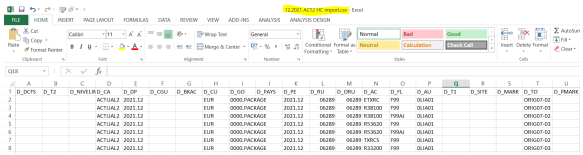
2.2.1.3 Convert the exported file into the HC tax import file

From the exported file a new file must be created by save as and named as **12.YYYY ACT2 HC import.csv**.

In this new file we need to clean/change some data as follow:

- Remove all lines for **entities expected to leave** the consolidation scope between October and Year End - *list of companies **to be confirmed from GAR team.***
- Remove all lines where D_FL column are not F99; F99AJ; F99EX
- Remove all lines where T1 column is not empty
- Remove all lines where D_MARK and D_PMARK columns are not empty
- Remove all lines where D_PAYS column is not empty
- Remove all lines where D_MVTCA column is not empty
- Remove all lines where D_ZADM column is not empty
- Replace YYYY.09 by YYYY.12 in columns D_DP and D_PE
- Formatting of columns D_RU and D_ORU must be with 5 digits (to keep company codes under 5 digits and not to miss the “0”). Format cells of columns D_RU and D_ORU as Custom / Type "00000".

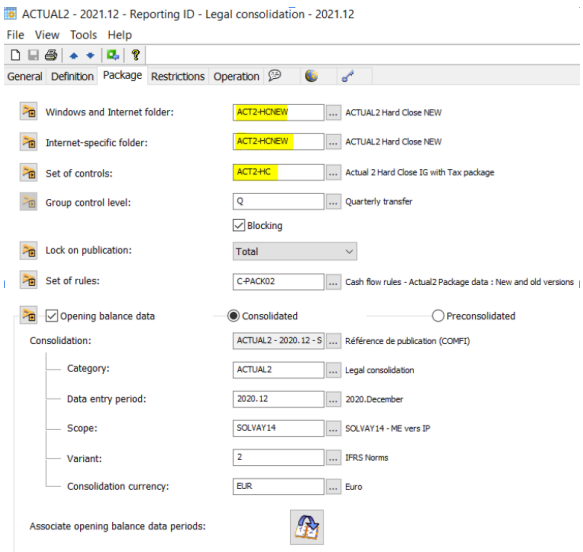
The import file should also be saved in this folder selecting the folder of the year



2.2.1.4 Open ACTUAL2 YYYY.12 reporting period

Choose **set of folders and controls** applicable for HC Tax - refer to this document **"BFC Admin Reporting set up per category and period"**

Adapt the **deadline for submission** according to date defined in the Syensqo Finance Accounting Closing Calendar available in the SYENSQO GAR AODOCs Library

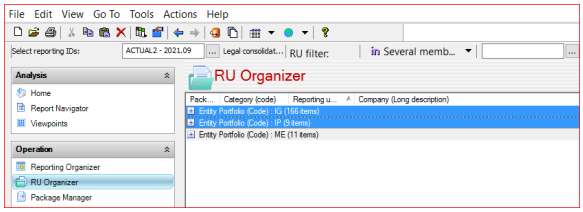


2.2.1.5 Insert Reporting Units and generate the packages

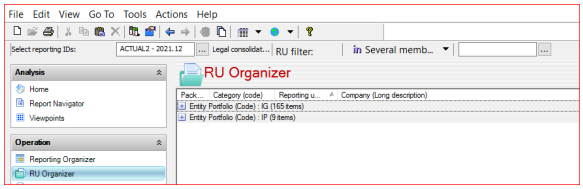
Select the reporting units from ACTUAL2 September (yyyy.09) **excluding** :

- the **MEQ (Equity method companies)** excluded from Tax reporting
- **entities expected to leave the consolidation scope between October and Year End** - *list of companies to be confirmed from GAR team.*

Copy through the icon or Ctrl+C:

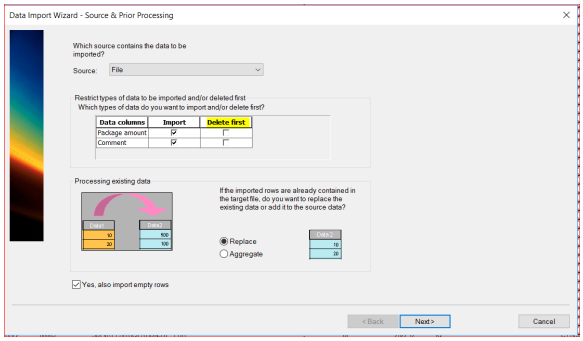


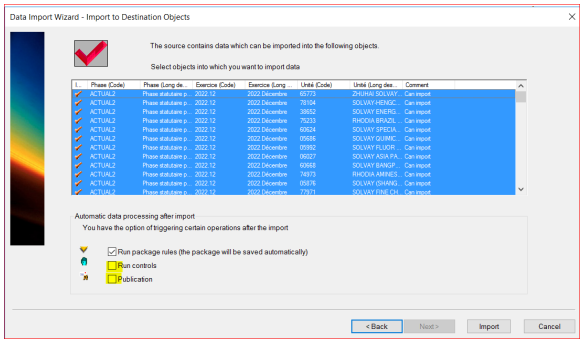
Paste through the icon or Ctrl+V:



2.2.1.6 Import the 12.YYYY ACT2 HC import.csv file (P&L data)

Note: Do not flag "delete first" in order to not delete the Tax rates preloaded by formulas.





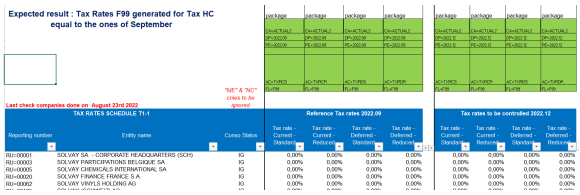
Note: do not flag Run controls or Publication.

2.2.1.7 Final checks on the P&L data imported and the pre-loaded Tax Rates

2.2.1.7.1 Massive Controls through Excel retrieves

In order to ensure that the data imported is correct BFC Admin must run and refresh the following Excel/BFC retrieval file which is **comparing P&L and Tax rates in both ACTUAL2 packages: 09 and 12 periods => expected results : data are equal between both periods**

Tax rates check (tabs YYYY.12 TXxx HC F99 / YYYY.12 TXxx HC F00 / YYYY.12 ETxx HC F99)



If there are **companies entering the scope** since the last time Excel file was updated, the following adjustments must be done in the Excel / BFC file:

- In tabs YYYY.12 TXxx HC F99 / YYYY.12 TXxx HC F00 / YYYY.12 ETxx HC F99 / P&L control per heading, add the lines for the reporting units that have entered the scope.

If there are **companies that entered the scope after September and thus contributing to the HC reporting (while having no data on September)**, the following adjustments must be done in the Excel / BFC file:

- In tabs YYYY.12 TXxx HC F99 / YYYY.12 TXxx HC F00 / YYYY.12 ETxx HC F99, they should present a gap (HC data existing while empty in September) in control columns => insert just a comment in the file to justify the gap
- In tab P&L HC, add more columns to retrieve 12.YYYY data for the companies newly consolidated and confirm the difference in column CHECK is equal to the total of companies newly consolidated.

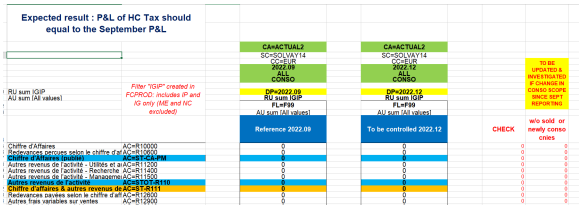
If there are **companies that left the scope after September and thus not contributing to the HC reporting**, the following adjustments must be done in the Excel / BFC file:

- In tabs YYYY.12 TXxx HC F99 / YYYY.12 TXxx HC F00 / YYYY.12 ETxx HC F99, they should present a gap (HC data empty while existing in September) in control columns => insert just a comment in the file to justify the gap
- In tab P&L HC, add more columns to retrieve 09.YYYY data for the companies that have left and confirm the difference in column CHECK is equal to the total of companies leaving the scope.

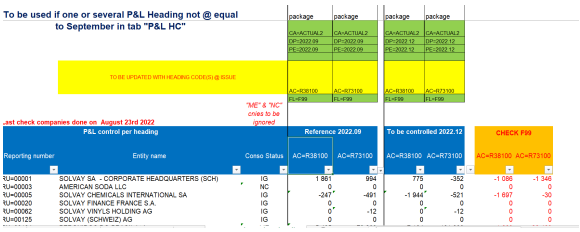
Companies entering or leaving the Solvay Group are registered in the following file **Syensqo Structure file** available in Syensqo GAR AODOC Library.

Link to the Excel/BFC retrieval file named **"HC Opening check YYYY". xls** stored in BFC Admin google folders selecting the folder of the year

P&L check (tab P&L HC):



P&L investigations if P&L checks do not match (tab P&L Control per given heading):



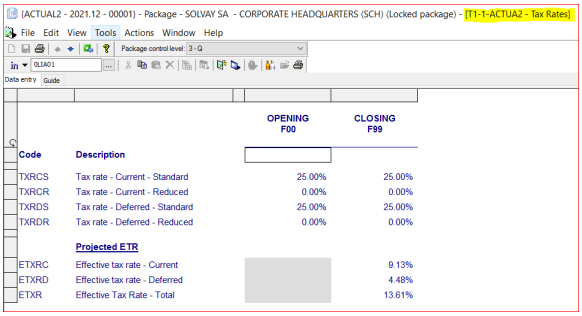
2.2.1.7.2 Selected controls directly in packages

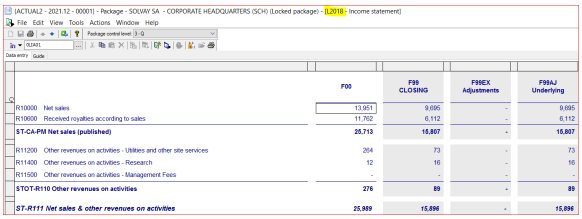
Controls to be made **consulting directly packages** of the most significant companies:

- 02002 Syensqo SA
- 64220 Specialty Operations France
- 60327 Solvay Holding Inc

Open the related packages and consult P&L L2018 and each tax schedule to check that:

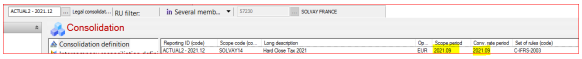
- **Schedule T1-1-ACTUA2 "tax rates" is filled** with data and other tax schedules are empty and ready for input;
- **P&L schedule L2018** to check that data **is filled**





2.2.2 Creation of Consolidation definition

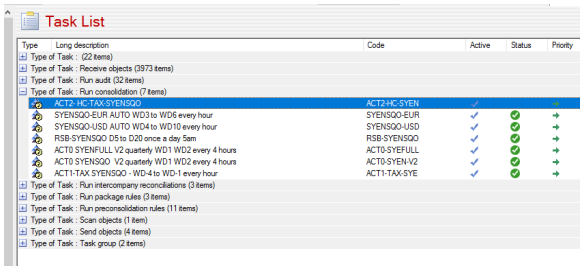
- The consolidation definition for HC Tax should be created by a **save as of ACTUAL2 09.yyyy / Variant 2.**



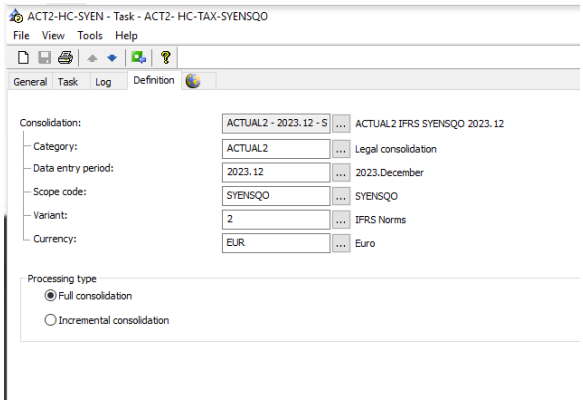
- Scope and exchange rates from period yyyy.09 should be kept as latest known when HC Tax starts.

2.2.2.1 Consolidation automatic run

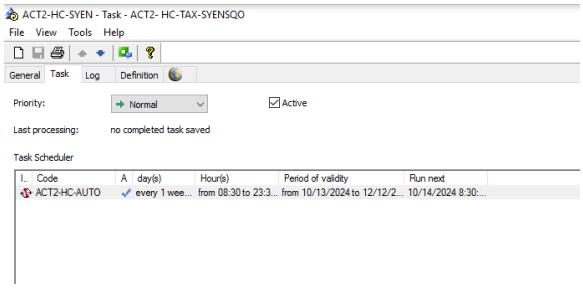
There is a task created to manage planned runs of HC consolidation - ACT2-HC-SYEN - that needs to be updated.

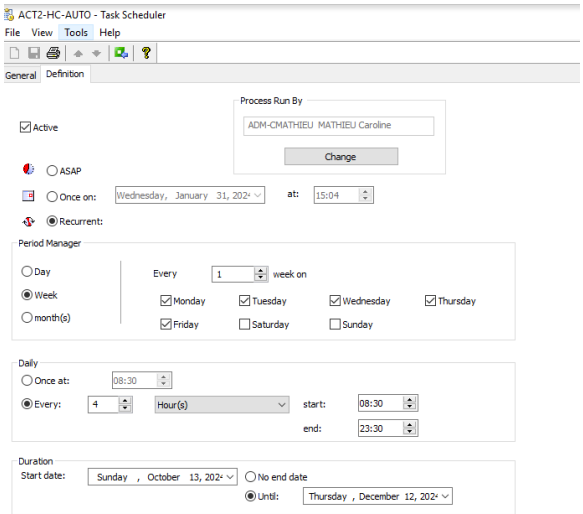


Definition - needs to be changed for current year 12.YYYY HC



Task period of validity: period of runs to be validated with GAR Tax reporting manager

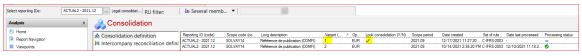




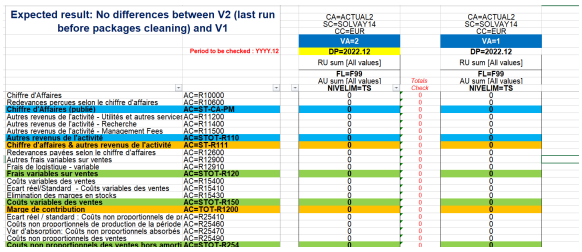
2.3 Switch from Hard Close to Year End

2.3.1 Back up of Hard Close Consolidated data

After last run of Hard Close (ACTUAL2 YYYY.12 variant 2) done by GAR Tax Reporting manager (expected to be between Dec 10th and 15th), BFC Admin team **save the last run under a variant 1 and lock it.**



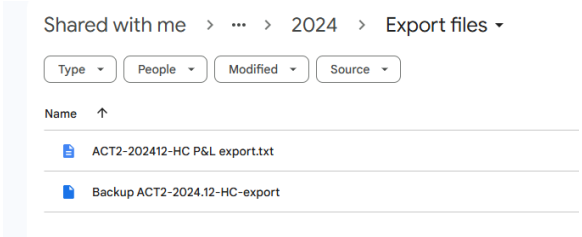
Control in Excel/BFC retrieves that P&L Conso Group Net Result variant 1 = variant 2 - link to the **file named "HC Tax back up variant 1 check.xls"** located in BFC Admin google folders selecting the folder of the year



2.3.2 1st massive export of ACTUAL2 YYYY.12 packs reported during Hard Close process

BFC Admin e**xports massively** (without any restriction on accounts, flows, etc) all the reported packs **under a flat file** (csv or txt)

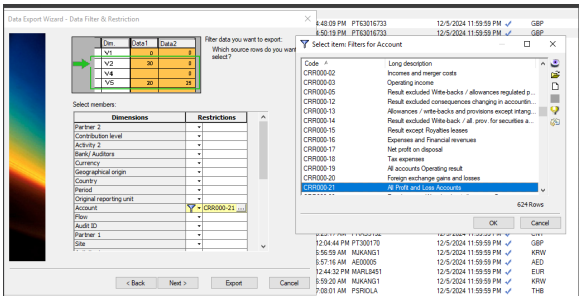
File exported should be named as **Backup ACT2-YYYY.12-HC-export.txt** and saved in the folder of the year



2.3.3 2nd massive export of ACTUAL2 YYYY.12 packs filtering on Rxxx headings

BFC Admin **exports massively** all the reported packs **(filtered by R* Headings)** under a flat file:

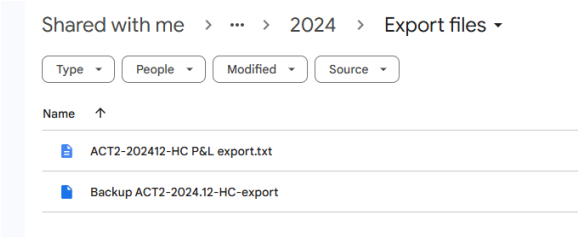
- using in the **Export options filter CRR000-21** to extract only P&L Headings



Notes

- **csv** should be the format to avoid splitting a comment in separate columns in case there are commas in the text /comment

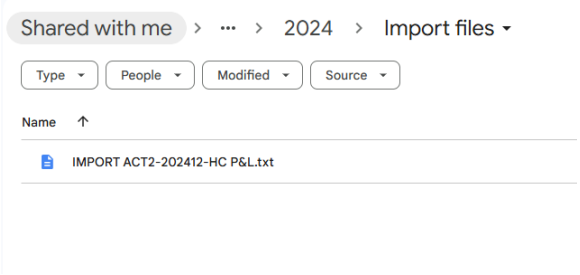
Open the file in csv format to confirm all is OK (no empty or broken lines).



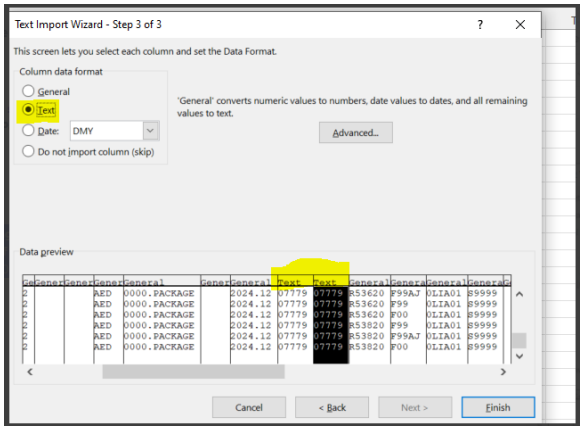
File exported should be named as **ACT2-YYYY.12-HC P&L export.csv** a nd saved in the folder of the year

2.3.4 Create the massive Import file with purpose of cleaning L2018 (P&L headings) schedule

BFC Admin to **save the 2nd massive Export under a new document "Import file"** named **ACT2-YYYY.12-HC P&L import.csv.**



When opening the file into Excel (step after) and formatting text to columns do not forget to adjust the format of columns related to RU and ORU to TEXT to avoid to lose "0" in company codes (example 00001 becoming 1 without the "text" formatting)



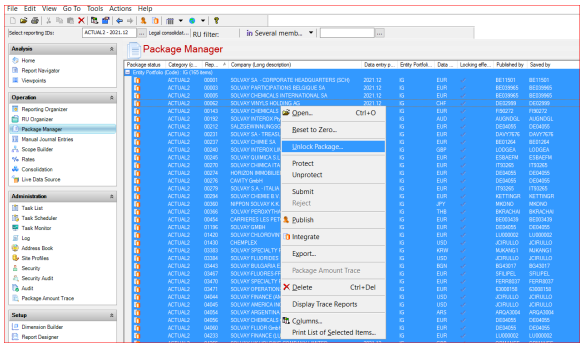
Cleaning to be done:

Remove all lines with flow (D_FL column) F00 and C01	Why ? -F00 is the opening generated by BFC - can not be imported
Keep flow F99AJ even if it is expected to be rejected during import as calculated data	Why to keep ? to avoid too many deletion of lines
Keep lines with partner (T1) S9999 , even if expected to be rejected during import as calculated data	Why to keep ? to avoid too many deletion of lines
Keep lines with flow F99EX (even if some of them will be rejected during import as calculated by BFC)	Why to keep ? not easy to guess which ones to be kept or removed - safer to keep all

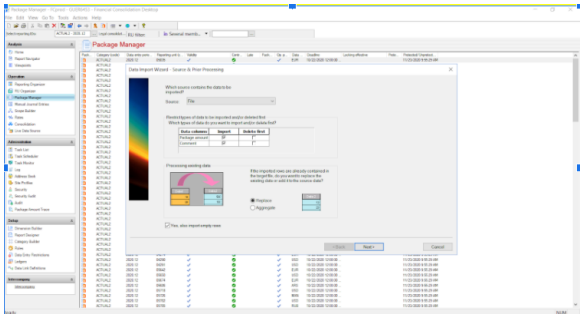
Check that detailed analysis dimension such as SITES / PAYS / MARK / CGU/ T2 / YEAR…) are empty	
Replace for all remaining lines amounts (P_AMOUNTS column) by 0	This is the way to set the P&L to 0 and to erase the HC P&L
Replace for all remaining lines comments (P_COMMENTS column) by empty cells	This is the way to erase the HC P&L comments
Save and close the file. Warning: check that coding of companies kept with 5 digits (example: company SSA is coded “00001” and not transformed to “1”	

2.3.5 Unlock massively the existing ACTUAL2 YYYY.12 packages

Packages need to be unlocked **to allow the massive import**.



2.3.6 Import massively the “Import file” (from Step 2.3.4) to clean both P&L HC data and comments



Key points on Import options to be selected:

- Choose **replace data** (and not aggregate data)
- Choose “**Yes, also import empty rows”**
- **Import comment**s (to erase HC comments with empty cells)
- Do not reset to 0 the pack before import ! (not to erase Tax schedules)
- **Activate the “run package rules”** after import to get a saving of the packs and thus a saving of the P&L cleaning ! Only way to massively check that P&L cleaned using Excel/BFC retrieves.
- Do not activate the “Run controls” after import : by definition a lot of blocking controls would appear that could confuse the user opening beginning of January their YE pack

Download the Rejected data file and check that root cause if justified (calculated amounts, data not opened to import)

Expected rejected data are calculated data:

- F99AJ
- F99EX / D_TO=ORIG07-02
- F99 / D_T1=99999

2.3.7 Control that P&L set to 0 and that HC data still there in Tax schedules

2.3.7.1 Massive Controls through Excel/BFC retrieves

Objective of the check in Excel done on the full scope of companies but using PACK amounts:

- **P&L accounts should all be at 0**
- **Tax rates should be still there**

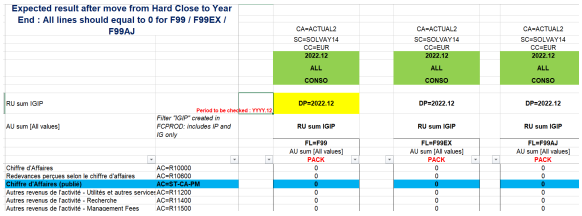
Link to the file named **"Tax reporting - Move Hard close to Year End YYYY.xls"** located in this folder selecting the folder of the year

If there are **companies entering the scope** since the last time Excel file was updated, the following adjustment must be done in the Excel / BFC file:

- In tabs "Tax rates F99" / "Tax rates F00" / "P&L search on specific heading" add the lines for the reporting units that have entered the scope.

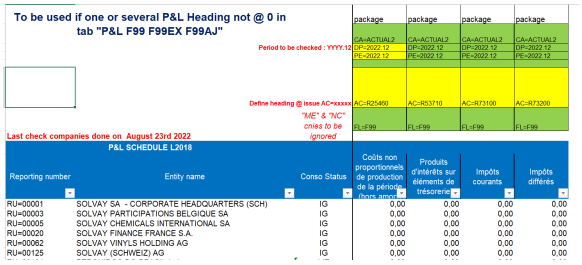
Companies entering or leaving the Syensqo Group are registered in the following file **Syensqo Structure file** available in SYENSQO GAR AODOC Library.

1) Check on P&L (tab P&L F99 F99EX F99AJ):



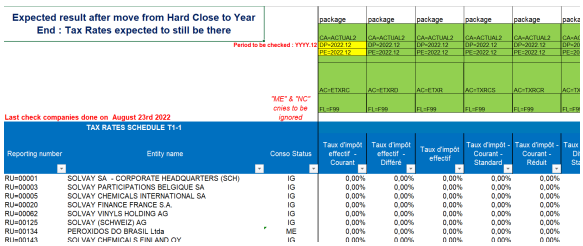
Expected result after move from Hard Close to Year End : All lines should equal to 0 for F99 / F99EX / F99AJ		CA=ACTUAL2 SC=SOLVAY14 CC=EUR 2022.12 ALL CONSO	CA=ACTUAL2 SC=SOLVAY14 CC=EUR 2022.12 ALL CONSO	CA=ACTUAL2 SC=SOLVAY14 CC=EUR 2022.12 ALL CONSO
RU sum IGIP	Period to be checked : YYYY.12	DP=2022.12	DP=2022.12	DP=2022.12
AU sum [All values]	Filter "IGIP" created in FCPROD: includes IP and IG only	RU sum IGIP	RU sum IGIP	RU sum IGIP
		FL=F99 AU sum [All values]	FL=F99EX AU sum [All values]	FL=F99AJ AU sum [All values]
		PACK	PACK	PACK
Chiffre d'Affaires	AC=R10000	0	0	0
Redevances perçues selon le chiffre d'affaires	AC=R10600	0	0	0
Chiffre d'Affaires (public)	AC=ST-CA-PM	0	0	0
Autres revenus de l'activité - Utilités et autres services	AC=R11200	0	0	0
Autres revenus de l'activité - Recherche	AC=R11400	0	0	0
Autres revenus de l'activité - Management Fees	AC=R11500	0	0	0

2) P&L investigations if P&L checks do not match (tab P&L search on specific heading):



To be used if one or several P&L Heading not @ 0 in tab "P&L F99 F99EX F99AJ"		package	package	package	package
Period to be checked : YYYY.12		CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12
Define heading @ Issue AC=xxxxx		AC=R25460	AC=R53710	AC=R73100	AC=R73200
"ME" & "NC" cnies to be ignored		FL=F99	FL=F99	FL=F99	FL=F99
Last check companies done on August 23rd 2022					
P&L SCHEDULE L2018					
Reporting number	Entity name	Conso Status	Coûts non proportionnels de production de la période (hors amort.	Produits d'intérêts sur éléments de trésorerie	Impôts courants	Impôts différés
RU=00001	SOLVAY SA - CORPORATE HEADQUARTERS (SCH)	IG	0,00	0,00	0,00	0,00
RU=00003	SOLVAY PARTICIPATIONS BELGIQUE SA	IG	0,00	0,00	0,00	0,00
RU=00005	SOLVAY CHEMICALS INTERNATIONAL SA	IG	0,00	0,00	0,00	0,00
RU=00020	SOLVAY FINANCE FRANCE S.A.	IG	0,00	0,00	0,00	0,00
RU=00062	SOLVAY VINYLS HOLDING AG	IG	0,00	0,00	0,00	0,00
RU=00125	SOLVAY (SCHWEIZ) AG	IG	0,00	0,00	0,00	0,00

3) Check on Tax rates (tabs Tax rates F99 & Tax rates F00):



Expected result after move from Hard Close to Year End : Tax Rates expected to still be there		package	package	package	package	package	package
Period to be checked : YYYY.12		CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=ACTUAL2 DP=2022.12 PE=2022.12	CA=A DP=20 PE=20
		AC=ETXRC	AC=ETXRD	AC=ETXR	AC=TXRCS	AC=TXRCR	AC=TX
"ME" & "NC" cnies to be ignored		FL=F99	FL=F99	FL=F99	FL=F99	FL=F99	FL=F9
Last check companies done on August 23rd 2022							
TAX RATES SCHEDULE T1-1							
Reporting number	Entity name	Conso Status	Taux d'impôt effectif - Courant	Taux d'impôt effectif - Différé	Taux d'impôt effectif	Taux d'impôt - Courant - Standard	Taux d'impôt - Courant - Réduit	Taux Di Sta
RU=00001	SOLVAY SA - CORPORATE HEADQUARTERS (SCH)	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00003	SOLVAY PARTICIPATIONS BELGIQUE SA	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00005	SOLVAY CHEMICALS INTERNATIONAL SA	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00020	SOLVAY FINANCE FRANCE S.A.	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00062	SOLVAY VINYLS HOLDING AG	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00125	SOLVAY (SCHWEIZ) AG	IG	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00134	PEROXIDOS DO BRASIL Ltda	ME	0,00%	0,00%	0,00%	0,00%	0,00%	
RU=00143	SOLVAY CHEMICALS FINLAND OY	IG	0,00%	0,00%	0,00%	0,00%	0,00%	

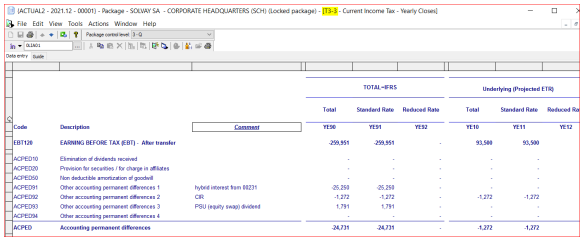
2.3.7.2 Selected controls directly in packages

Controls to be made by **opening the most significant companies**:

- 02002 Syensqo SA
- 64220 Specialty Operations France
- 60327 Solvay Holding Inc

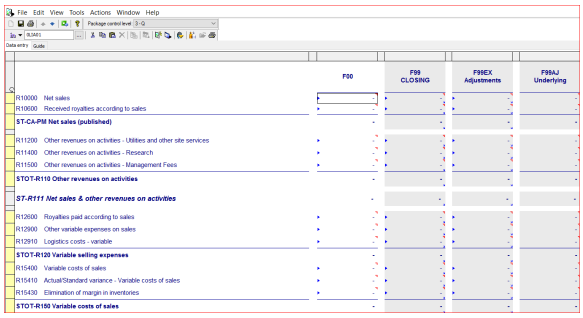
Open the related package and **consult each tax schedule to check that Hard close data and comments are still there** / **consult P&L schedule L2018 to check that no data** and **no comment**

Example, T3-3 Current income tax:



Code	Description	Comment	TOTAL=IFRS Total	TOTAL=IFRS Standard Rate	TOTAL=IFRS Reduced Rate	Underlying (Projected ETR) Total	Underlying (Projected ETR) Standard Rate	Underlying (Projected ETR) Reduced Ra
			YE50	YE51	YE52	YE10	YE11	YE12
EBT120	EARNING BEFORE TAX (EBT) - After transfer		-259,951	-259,951	-	93,580	93,580	
ACPED10	Elimination of dividends received		-	-	-	-	-	
ACPED20	Provision for securities / for charge in affiliates		-	-	-	-	-	
ACPED50	Non deductible amortization of goodwill		-	-	-	-	-	
ACPED91	Other accounting permanent differences 1	hybrid interest from 88231	-25,258	-25,258	-	-	-	
ACPED92	Other accounting permanent differences 2	CIR	-1,272	-1,272	-	-1,272	-1,272	
ACPED93	Other accounting permanent differences 3	PSU (equity swap) dividend	1,791	1,791	-	-	-	
ACPED94	Other accounting permanent differences 4		-	-	-	-	-	
ACPED	Accounting permanent differences		-24,731	-24,731	-	-1,272	-1,272	

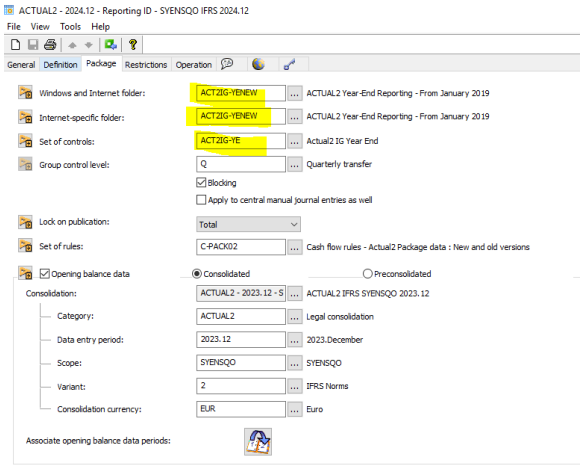
P&L (schedule L2018):



2.3.8 Switch set of folders and controls from HC to Year End ones

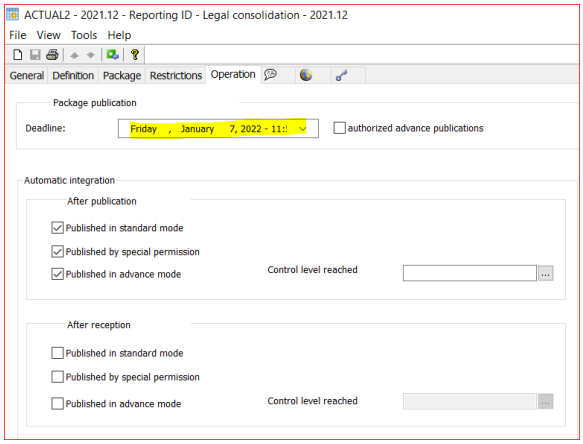
In the following table (refer to this document **"BFC Admin Reporting set up per category and period"**) are defined the **Folders** and **Set of Controls** to be used for each type of company in each Category and reporting period (monthly, Quarterly, Hard Close, Year-End):

Warning: Apply to central manual journal entries option MUST NOT be flagged



Adapt the **deadline** according to date defined for **package publication** in the Package Generation Planning file.

Regenerate all packages to get the application of the new folders / controls / deadline

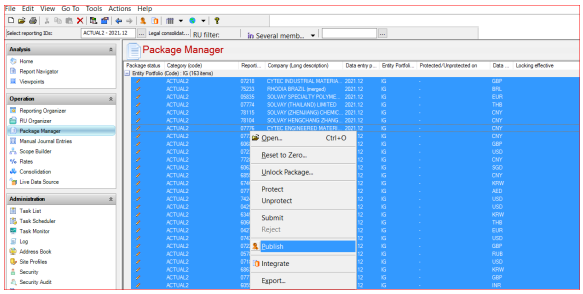


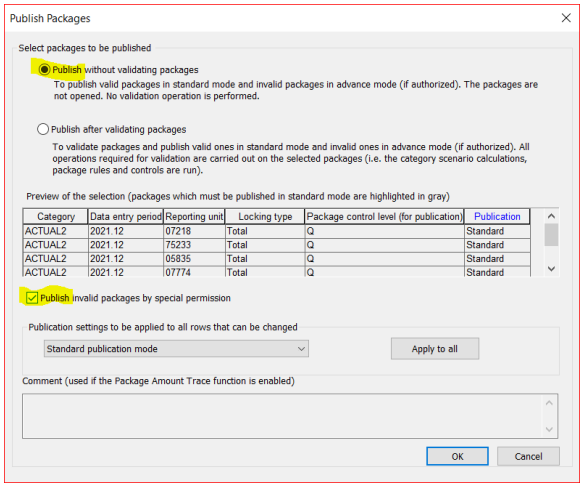
2.3.9 Publication and unlocking of packages

In order to clean the data at conso level the packages that have just been cleaned with the mass import must be published.

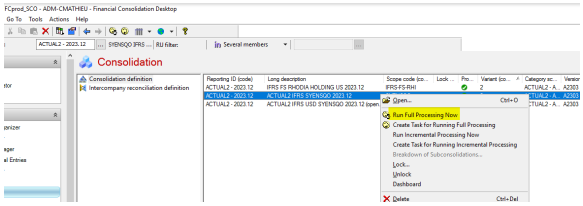
Publication has to be done by special permission, in most cases, since packages are not valid (having blocking controls).

Note it **could happen that some packages,** if not having tax data and thus no blocking controls, **are published with standard mode and thus become locked**.





Once packages have been published, **12.YYYY conso SYENSQO / V2 needs to be run** to clean data at conso level.

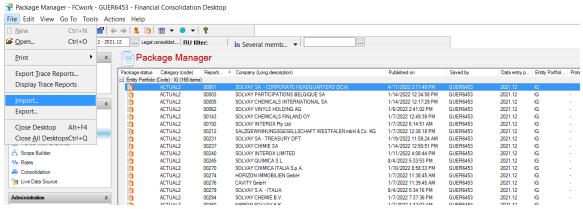


2.3.10 Change package status to "Modified"

In order not to confuse end users, the package status must be **changed from Published to Modified.**

Packages have been published almost empty (only tax schedules have data) in order to clean up the data at conso level.

The status should now be set back to modified by reimporting the file imported in section **2.3.6.**

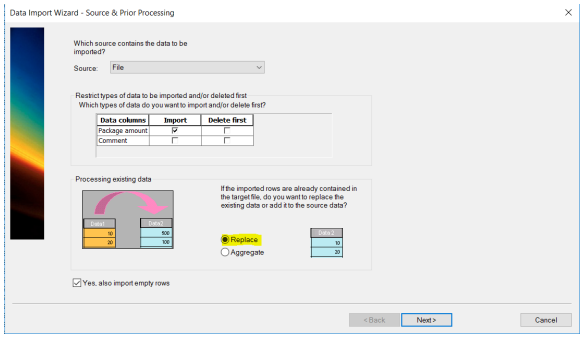


Note : **Before launching the reimport**, **check that all packages are unlocked and proceed packages unlockings if needed** (case to happen on packages published by Standard mode in step 2.3.9)

Key points on Import options to be selected:

- Choose **replace data** (and not aggregate data)

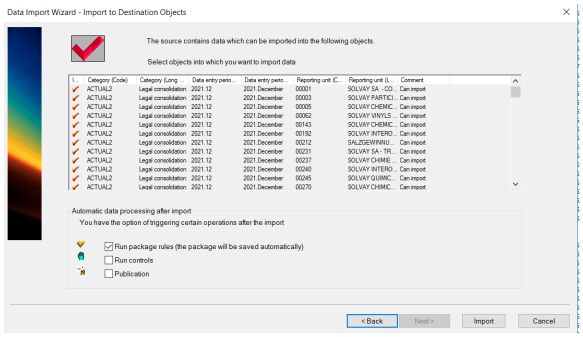
- Choose “**Yes, also import empty rows”**
- Do not reset to 0 the pack before import ! (not to erase Tax schedules)
- **Activate the “run package rules”** after import to get a saving of the packs and thus a saving.
- Do not activate the “Run controls” after import : by definition a lot of blocking controls would appear that could confuse the user opening beginning of January their YE pack



Check that all packages appear with modified status .

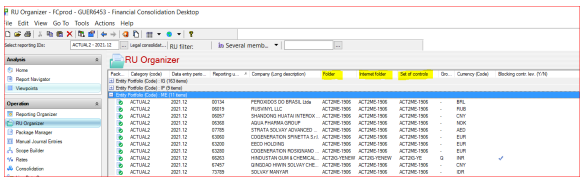
If some packages still appear as Integrated" then workaround to be applied

- open package and "Save". Close
- or if Save button is not available, open L2018 schedule and enter 0 amount in 1st line "R10000" heading and Save. Close



2.3.11 Add and create the MEQ (equity methods) packs

Adapt set of Folders and controls (refer to this document **"BFC Admin Reporting set up per category and period")** of Equity Methods (different from IG and IP companies) to Year End profile . Exception for company 66263 Hindustan Gum.



2.3.12 Create packages for companies entering in the conso scope

Check also the list of IG / IP / MEQ versus November ACTUAL2 reporting one (in case companies have entered in the scope in November, after the launch of HC Tax).

Companies entering or leaving the Syensqo Group are registered in the following file **SYENSQO Structure.**

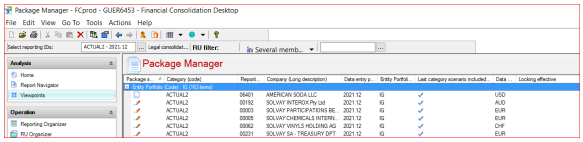
If a company leave the YYYY.12 scope:

1. Its package has to be reset to 0
2. Publication of empty package to be made to send empty data to BFC PreConso table
3. Then delete the package and its RU organizer

2.3.13 Generate all packages and final control

Check that **package status** is:

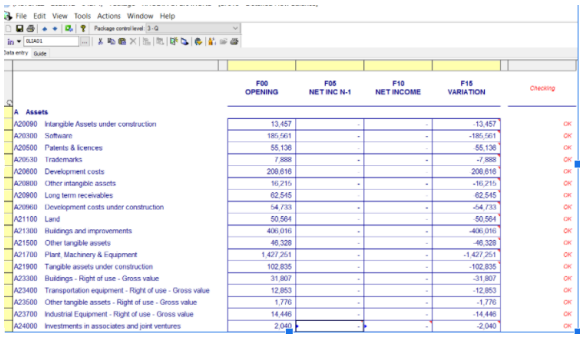
- “**Modified”** for **IG** and **IP which took part to HC Tax** process (consequence of the Import cleaning)
- **“Empty”** for **MEQ** and **new added** companies



L7010/F00:

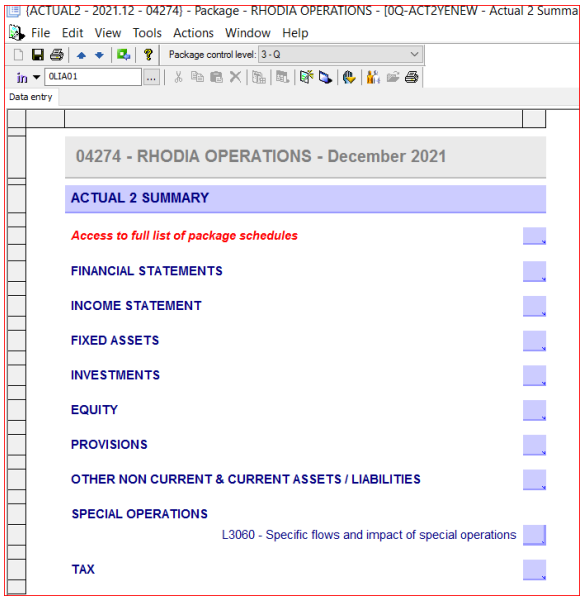
Open the following packages (without any action or saving inside !) to check that F00 there in L7010 / Year end schedules there / P&L schedule L2018 with 0 data / Tax schedules still with data (IG and IP used during Hard close):

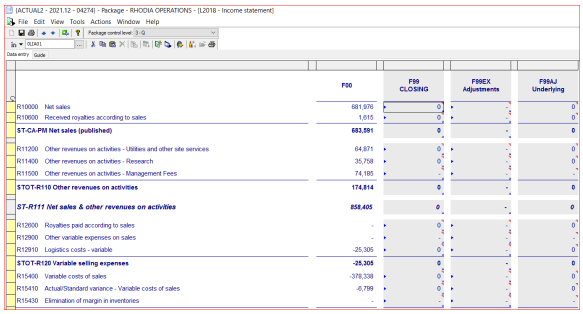
- IG 74249 Solvay USA Inc
- MEQ 73789 Solvay Manyar



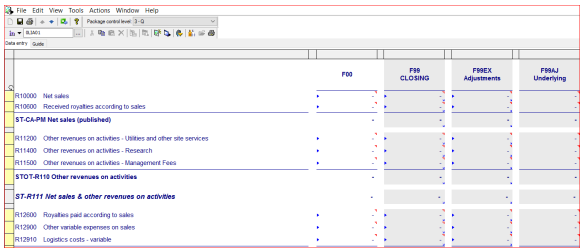
		F00 OPENING	F05 NET INC N-1	F10 NET INCOME	F15 VARIATION	Checking
A	Assets					
A20090	Intangible Assets under construction	13,457	-	-	-13,457	OK
A20300	Software	185,561	-	-	-185,561	OK
A20500	Patents & licences	55,136	-	-	-55,136	OK
A20530	Trademarks	7,888	-	-	-7,888	OK
A20600	Development costs	208,616	-	-	208,616	OK
A20800	Other intangible assets	16,215	-	-	-16,215	OK
A20900	Long term receivables	62,545	-	-	62,545	OK
A20960	Development costs under construction	54,733	-	-	-54,733	OK
A21100	Land	50,564	-	-	-50,564	OK
A21300	Buildings and improvements	406,016	-	-	-406,016	OK
A21500	Other tangible assets	46,328	-	-	-46,328	OK
A21700	Plant, Machinery & Equipment	1,427,251	-	-	-1,427,251	OK
A21900	Tangible assets under construction	102,835	-	-	-102,835	OK
A23300	Buildings - Right of use - Gross value	31,807	-	-	-31,807	OK
A23400	Transportation equipment - Right of use - Gross value	12,853	-	-	-12,853	OK
A23500	Other tangible assets - Right of use - Gross value	1,776	-	-	-1,776	OK
A23700	Industrial Equipment - Right of use - Gross value	14,446	-	-	-14,446	OK
A24000	Investments in associates and joint ventures	2,040	-	-	-2,040	OK

Year end schedules:





		F00	F99 CLOSING	F99EX Adjustments	F99AJ Underlying
R10000	Net sales	681,976	0	-	0
R10600	Received royalties according to sales	1,615	0	-	0
ST-CA-PM Net sales (published)		683,591	0	-	0
R11200	Other revenues on activities - Utilities and other site services	64,871	0	-	0
R11400	Other revenues on activities - Research	35,758	0	-	0
R11500	Other revenues on activities - Management Fees	74,185	-	-	-
STOT-R110 Other revenues on activities		174,814	0	-	0
ST-R111 Net sales & other revenues on activities		858,405	0	-	0
R12600	Royalties paid according to sales	-	0	-	0
R12900	Other variable expenses on sales	-	-	-	-
R12910	Logistics costs - variable	-25,305	0	-	0
STOT-R120 Variable selling expenses		-25,305	0	-	0
R15400	Variable costs of sales	-378,338	0	-	0
R15410	Actual/Standard variance - Variable costs of sales	-6,799	0	-	0
R15430	Elimination of margin in inventories	-	-	-	-



		F00	F99 CLOSING	F99EX Adjustments	F99AJ Underlying
R10000	Net sales	-	-	-	-
R10600	Received royalties according to sales	-	-	-	-
ST-CA-PM Net sales (published)		-	-	-	-
R11200	Other revenues on activities - Utilities and other site services	-	-	-	-
R11400	Other revenues on activities - Research	-	-	-	-
R11500	Other revenues on activities - Management Fees	-	-	-	-
STOT-R110 Other revenues on activities		-	-	-	-
ST-R111 Net sales & other revenues on activities		-	-	-	-
R12600	Royalties paid according to sales	-	-	-	-
R12900	Other variable expenses on sales	-	-	-	-
R12910	Logistics costs - variable	-	-	-	-

END OF THIS PROCEDURE