PREV (Forecast / Budget) category in BFC SYENSQO

- 1. Objective and Scope
- 2. Reporting Setup
  - 2.1 Reporting setup - Reporting Organizer
  - 2.2 Reporting setup - RU Organizer and Package Manager
- 3. PREV consolidation scope
  - 3.1 Scope definition
  - 3.2 Piloting to BFC_Prod_SCO database
- 4. PREV Exchange rates
  - 4.1 Initial creation and update (July YY)
  - 4.2 Update Sept. PREV with Sept. YY REEL Exc. rates
  - 4.3 Update PREV with Dec. YY REEL Exc. rates
  - 4.4 Piloting to BFC_Prod_SCO database
- 5. Consolidation definition
- 6. Communication to Syensqo Corporate Controlling

1. Objective and Scope

The purpose of this document is to describe the BFC Admin activities related to the maintenance of the **PREV category** in BFC.

PREV phase is **operated by the Corporate Controlling** team (not GAR) and **used by GBU controllers to report and consolidate forecasted / budgeted Dec. Y and quarters Y+1:**

- **Budgeting process** conducted at **detailed level in Controlling tools**, **BFC being the final step to aggregate GBU's forecasts** as well as to provide **Consolidated Forecasts at SYENSQO Group level**
- **5 periods :** Dec. Y / Quarterly 03 06 09 12 Y+1
- Reporting to BFC **not handled by legal company but at the GBU level** using fictive reporting companies (1 package per GBU + 3 dedicated central packages for Corp Controlling, all handled in K.Euros)
- **Note that single consolidation method "IG / fully conso" for each fictive package.** *Non Conso, Equity Methods and IP methods being directly integrated as such in GBU package, not relying on consolidation treatments*
- **Reporting content** made of **P&L (Sales to Net result), Balance Sheet (Working Capital, Fixed Assets), CAPEX, SCF (Simplified Cash Flow / GBU**) **and FCF (Free Cash Flow / Group**)
  - using some **aggregated headings** (compared to detailed chart of headings used in ACTUAL's category)
  - using **limited flows** : Closing balance F99 F99EX F99AJ for P&L (to manage both IFRS and Underlying sets of Financial statements), closing balance F99 for BS and some variations flows for CAPEX and SCF/CFS
- **Purpose of PREV Exchange Rates** : not used for the consolidation of Budget data (as packages are reported directly in K. Euros) but **used in RSB (Restated Y-1) consolidations (variant 2) for future months** (when ACTUAL rates are not yet available)

From a **customizing point of view**, this category has its **own**:

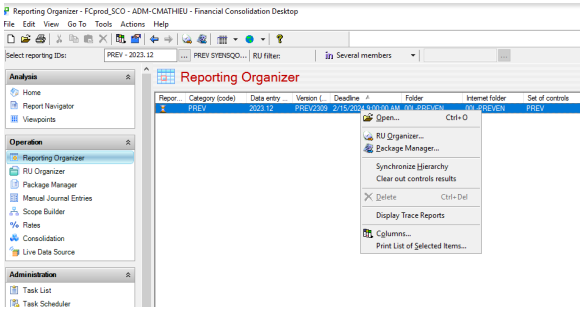
- **Scope** (PREVSYENSQO code)
- **Exchange rates** (PREV version)
- **Category scenario** (PREV code)
- **Package schedules / folders and Controls**

2. Reporting Setup

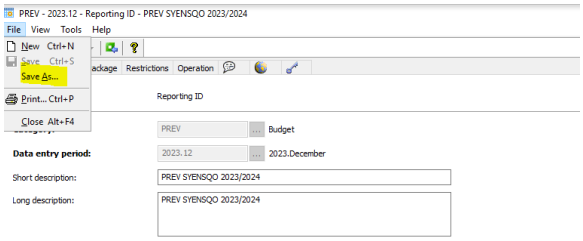
2.1 Reporting setup - Reporting Organizer

The **opening of PREV** phase should occur **in July.**

To create a new Reporting ID for the period, select the one of the previous year in the field **Select Reporting IDs**.



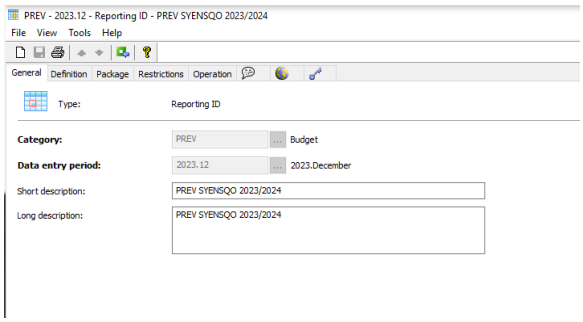
Then in **Reporting Organizer** module **Open** it and **Save As**.



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

Enter the following information:

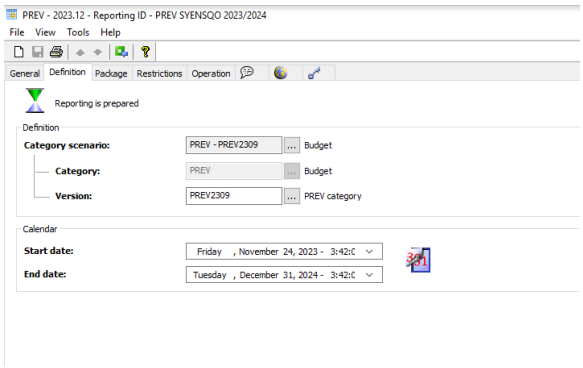
- **Category -** PREV
- **Data entry period -** YYYY.12
- **Short & Long description -** PREV SYENSQO YYYY / YYYY+1



The **Definition** tab will define the associated category scenario and the start and end dates for the reporting.

Enter the following information:

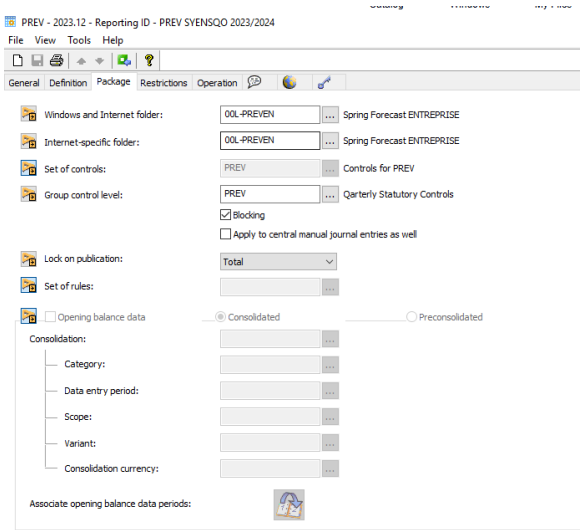
- **Version of category scenario:** PREVxxxx (latest version to be selected)
- **Start & End Date:** Adjust start and end date.



The **Package** tab defines the data entry settings applicable to packages:

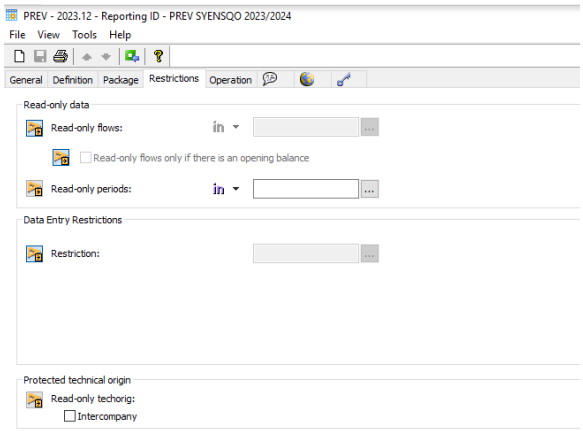
- **Windows and Internet folder**: 00L-PREVEN
- **Set-of controls**: PREV
- **Control level to be reached**: PREV

- **Blocking** - Flag the option Blocking.
- **Apply to central manual journal entries as well -** it MUST NOT be flagged
- **Opening balance data :** not applicable: Budget is focused on future, not needing any link with the past ACTUAL's or PREV's



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

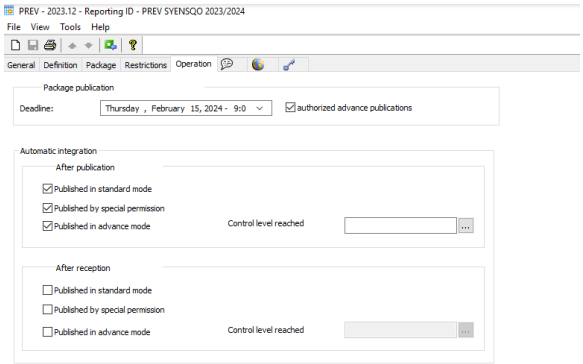
- There are no restrictions to be set up. Compared to ACTUAL's categories, PREV category does not require any link or reference to the past to build a full Balance Sheet by flows (no need for F00 "opening balance")



The **Operation** tab defines the settings associated with packages publication.

In the **Deadline** it has to be informed the deadline for package's publication. it has not such an importance as packages are directly completed centrally by Corporate Controlling

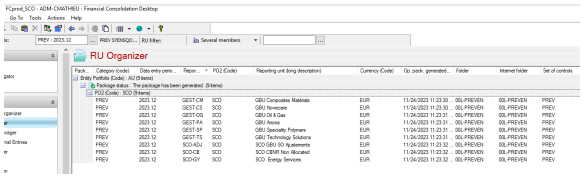
- **Deadline** 15.02.YYYY**+1**.: Setting the deadline at mid Feb YYYY+1 will allow Corporate Controlling team to update packages all during the Budget year



2.2 Reporting setup - RU Organizer and Pack age Manager

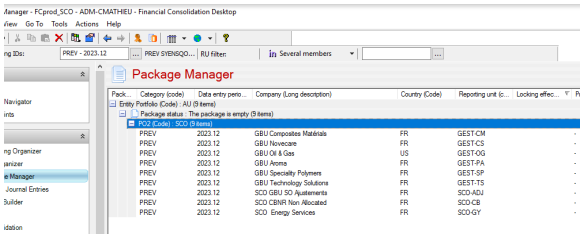
As general rule, BFC Admin should copy the list of packages completed in the previous PREV exercise:

- GBU packages using fictive GBU companies (GEST-xxx or SCO-xx, xxx code representing an abbreviation of GBU name)
- 1 Central package (SCO-ADJ)



However, the list of packages to be created **must always be confirmed by Syensqo Corporate Controlling team:**

- **in case of new GBU created** since the previous PREV exercise, **most probably that a GBU fictive company will have to be created, integrated in PREV scope and its PREV package created as well**
- **in case of GBU divested or merged** since the previous PREV exercise, **most probably that its package will not be required anymore and that its fictive company will be excluded from the PREV scope**



Final step in package manager, launching the **generation of packages.**

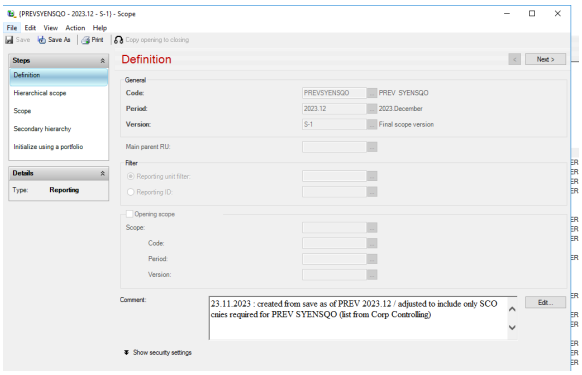
3. PREV consolidation scope

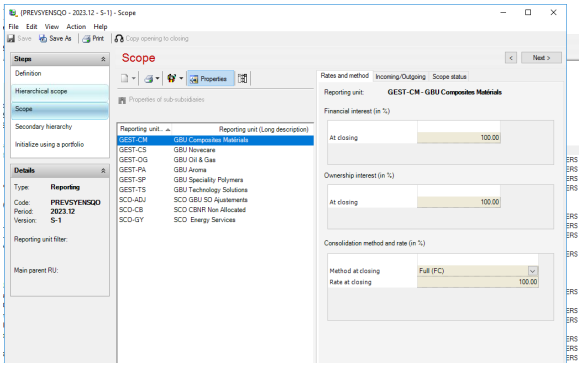
3.1 Scope definition

PREVSYENSQO scope must be created in BFC_Top_SCO and piloted to BFC_Prod_SCO.

It has to include the **list of companies for which PREV packages have been created**.

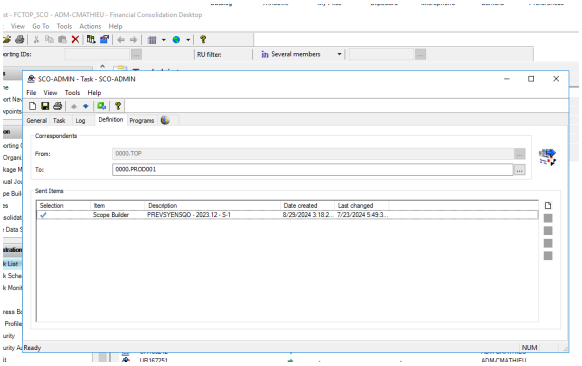
- **Consolidation method - FC Full conso** : as explained above, special consolidation methods (Equity methods, IP, Non Conso) are directly integrated in packages, not relying on consolidation treatments
- **Rate - 100%**





3.2 Piloting to BFC_Prod_SCO database

Task SCO-ADMIN has to be used to pilot PREV consolidation scope.

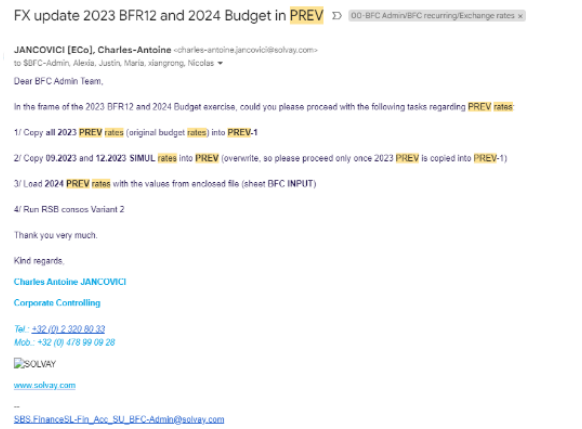


4. PREV Exchange rates

As in ACTUAL (=REEL) Exchange Rates tables, there are the **6 types of conversion rates** updated and used in PREV category:

- **TC - Closing rate** - used for Balance Sheet
- **TMN - Average cumulative rate** - used for P&L
- **TMN-1 - Average rate Dec.Y-1**
- **TO - Opening rate** (equals to Dec.Y-1 closing rate) - used for Balance Sheet
- **TCN-1 - Closing rate N-1** (closing rate / same period of previous year)
- **TMYN-1 - Average rate N-1** (average rate / same period of previous year)

PREV Exchange rates are **provided by Syensqo Corporate Controlling team.**



FX update 2023 BFR12 and 2024 Budget in PREV

JANCOVICI [ECo], Charles-Antoine <charles-antoine.jancovici@solvay.com>
to $BFC-Admin, Alexia, Justin, Maria, xiangrong, Nicolas

Dear BFC Admin Team,

In the frame of the 2023 BFR12 and 2024 Budget exercise, could you please proceed with the following tasks regarding PREV rates:

1/ Copy all 2023 PREV rates (original budget rates) into PREV-1

2/ Copy 09.2023 and 12.2023 SIMUL rates into PREV (overwrite, so please proceed only once 2023 PREV is copied into PREV-1)

3/ Load 2024 PREV rates with the values from enclosed file (sheet BFC INPUT)

4/ Run RSB consos Variant 2

Thank you very much.

Kind regards,

Charles Antoine JANCOVICI

Corporate Controlling

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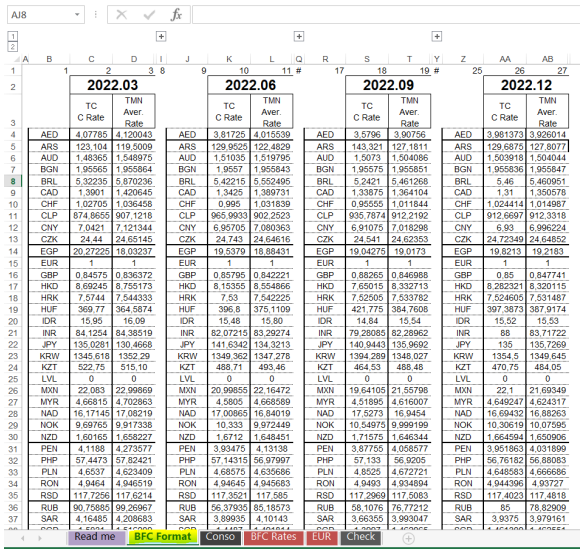
SBS.FinanceSL-Fin_Acc_SU_BFC-Admin@solvay.com

BFC Admin team:

- **creates the 4 tables 03, 06, 09, 12 (YY+1) in July (YY)**
- **updates 09 table on October 1st (YY)** for rates TCN-1 & TMYN-1 **with Sept. YY Actual rates**- *no need to receive request from Corp Controlling*
- **updates the 4 03 06 09 12 (YY+1) tables on January 2nd YY+1** (TCN-1 & TMYN-1 & TMN-1 & TO) **with Dec. YY Actual rates** - *no need to receive request from Corp Controlling*

Both, **creation and update (exception for October and January updates** directly done by BFC Admin once Sept. and Jan. Actual rates are available) => **ONLY upon requests from Syensqo Corporate Controlling team**.

The file sent by corporate Controlling to BFC Admin must have a tab - **B FC Format**- with the Average (**TMN**) and Closing (**TC**) rates for the quarters of the next year.



	2022.03		2022.06		2022.09		2022.12	
	TC C Rate	TMN Aver. Rate	TC C Rate	TMN Aver. Rate	TC C Rate	TMN Aver. Rate	TC C Rate	TMN Aver. Rate
AED	4,07785	4,120043	3,81725	4,015539	3,5796	3,90756	3,981373	3,926014
ARS	123,104	119,5009	129,9525	122,4829	143,321	127,1811	129,6875	127,8077
AUD	1,48365	1,548975	1,51035	1,519795	1,5073	1,504086	1,503918	1,504044
BGN	1,95565	1,955864	1,9557	1,955843	1,95575	1,955851	1,955836	1,955847
BRL	5,32235	5,870236	5,42215	5,552495	5,2421	5,461268	5,46	5,460951
CAD	1,3901	1,420645	1,3425	1,389731	1,33875	1,364104	1,31	1,350578
CHF	1,02705	1,036458	0,995	1,031839	0,95555	1,011844	1,024414	1,014987
CLP	874,8655	907,1218	965,9933	902,2523	935,7874	912,2192	912,6697	912,3318
CNY	7,0421	7,121344	6,95705	7,080363	6,91075	7,018296	6,93	6,996224
CZK	24,44	24,65145	24,743	24,64616	24,541	24,62353	24,72349	24,64852
EGP	20,27225	18,03237	19,5379	18,88431	19,04275	19,0173	19,8213	19,2183
EUR	1	1	1	1	1	1	1	1
GBP	0,84575	0,836372	0,85795	0,842221	0,88265	0,846988	0,85	0,847741
HKD	8,69245	8,755173	8,15355	8,554866	7,65015	8,332713	8,282321	8,320115
HRK	7,5744	7,544333	7,53	7,542225	7,52505	7,533782	7,524605	7,531487
HUF	369,77	364,5874	396,8	375,1109	421,775	384,7608	397,3873	387,9174
IDR	15,95	16,09	15,48	15,80	14,84	15,54	15,52	15,53
INR	84,1254	84,38519	82,07215	83,29274	79,28085	82,28962	88	83,71722
JPY	135,0281	130,4668	141,6342	134,3213	140,9443	135,9692	135	135,7269
KRW	1345,618	1352,29	1349,362	1347,278	1394,289	1348,027	1354,5	1349,645
KZT	522,75	515,10	488,71	493,46	464,53	488,48	470,75	484,05
LVL	0	0	0	0	0	0	0	0
MXN	22,083	22,99869	20,99855	22,16472	19,64105	21,55798	22,1	21,69349
MYR	4,66815	4,702863	4,5805	4,668589	4,51895	4,616007	4,649247	4,624317
NAD	16,17145	17,08219	17,00865	16,84019	17,5273	16,9454	16,69432	16,88263
NOK	9,69765	9,917338	10,333	9,972449	10,54975	9,999199	10,30619	10,07595
NZD	1,60165	1,658227	1,6712	1,648451	1,71575	1,646344	1,664594	1,650906
PEN	4,1188	4,273577	3,93475	4,13138	3,87755	4,058577	3,951863	4,031899
PHP	57,4473	57,82421	57,14315	56,97997	57,133	56,9205	56,76182	56,88083
PLN	4,6537	4,623409	4,68575	4,635686	4,8525	4,672721	4,648583	4,666686
RON	4,9464	4,946519	4,94645	4,945683	4,9493	4,934694	4,944396	4,93727
RSD	117,7256	117,6214	117,3521	117,585	117,2969	117,5083	117,4023	117,4818
RUB	90,75885	99,26967	56,37935	85,18573	58,1076	76,77212	85	78,82909
SAR	4,16485	4,208683	3,89935	4,10143	3,66355	3,993047	3,9375	3,979161

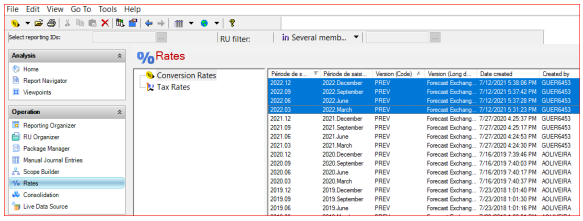
4.1 Initial creation and update (July YY)

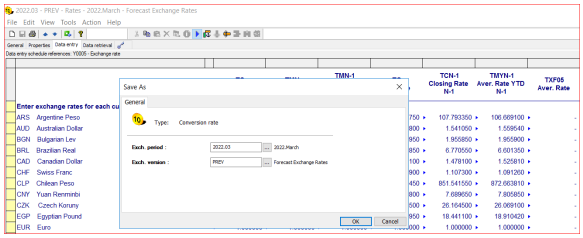
In BFC_Top_SCO, in the Exchange rates module,

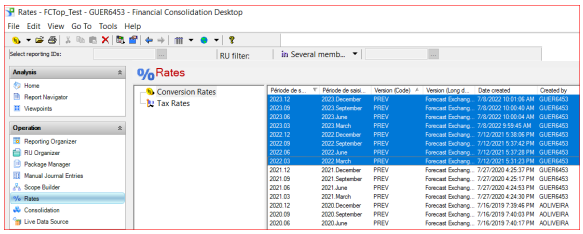
- **Open** the YY PREV tables (03, 06, 09, 12)
- Do a **save as** of each table to the corresponding YY+1

In this example, to create 2023 tables we do a Save as from 2022 tables:

- *2022.03 table saved as 2023.03 table*
- *2022.06 table saved as 2023.06 table*
- *etc ...*

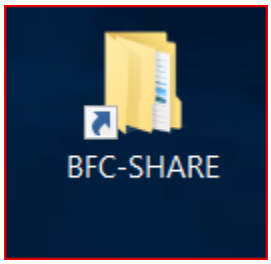


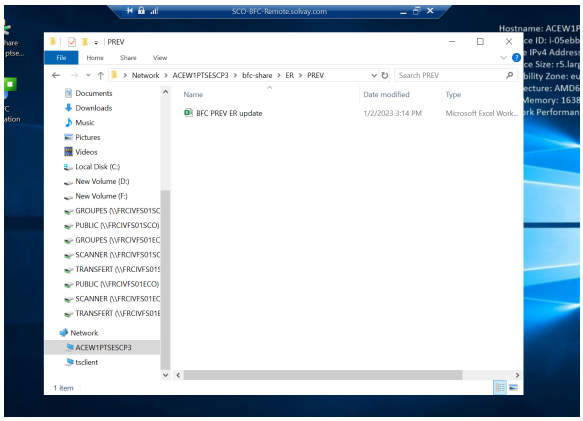


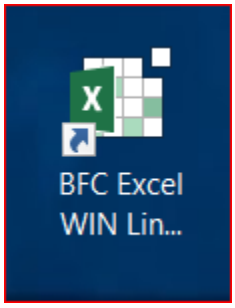


There's an Excel workbook - *BFC PREV ER update.xlsx* - that should be used to prepare the BFC tables update.

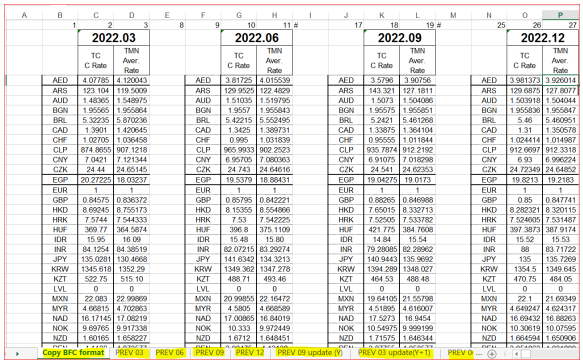
The file - *BFC PREV ER update.xlsx* - is saved in this folder on the remote desktop **\\Acew1ptsescp3\BFC-SHARE\ER\PREV**







Open ***BFC Excel WIN Link Prod*** and then open the file.



	2022.03		2022.06		2022.09		2022.12	
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BRL	5.32235	5.870236	5.42215	5.552495	5.2421	5.461268	5.46	5.460951
CAD	1.3901	1.426045	1.3425	1.389731	1.33875	1.364104	1.31	1.350578
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EGP	20.27225	18.03237	19.5379	18.88431	19.04275	19.0173	19.8213	19.2183
EUR	1	1	1	1	1	1	1	1
GBP	0.84575	0.836372	0.85795	0.842221	0.88265	0.846988	0.85	0.847741
HKD	8.69245	8.755173	8.15355	8.554866	7.65015	8.332713	8.282321	8.320115
HRK	7.5744	7.544333	7.53	7.542225	7.52505	7.533782	7.524605	7.531487
HUF	369.77	364.5874	396.8	375.1109	421.775	384.7608	397.3873	387.9174
IDR	15.95	16.09	15.48	15.80	14.84	15.54	15.52	15.53
INR	84.1254	84.38519	82.07215	83.29274	79.28085	82.28962	88	83.71722
JPY	135.0281	130.4668	141.6342	134.3213	140.9443	135.9692	135	135.7269
KRW	1345.618	1352.29	1349.362	1347.278	1394.289	1348.027	1354.5	1349.645
KZT	522.75	515.10	488.71	493.46	464.53	488.48	470.75	484.05
LVL	0	0	0	0	0	0	0	0
MXN	22.083	22.99899	20.99855	22.16472	19.64105	21.55798	22.1	21.69349
MYR	4.66815	4.702863	4.5805	4.668589	4.51895	4.616007	4.649247	4.624317
NAD	16.17145	17.08219	17.00865	16.84019	17.5273	16.9454	16.69432	16.88263
NOK	9.69765	9.917338	10.333	9.972449	10.54975	9.999199	10.30619	10.07595
NZD	1.60165	1.658227	1.6712	1.648451	1.71575	1.646344	1.664594	1.650906

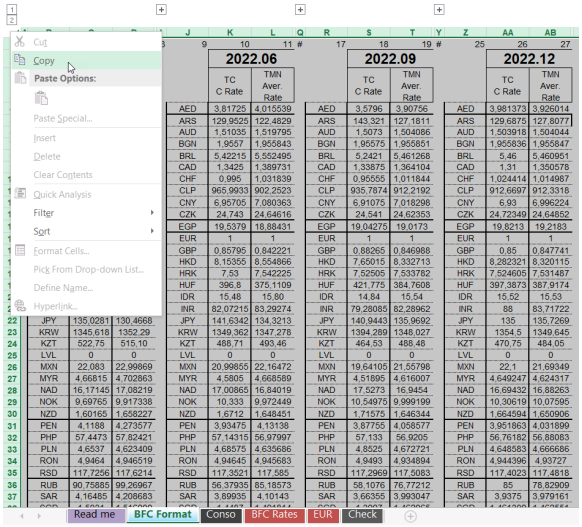
Copy BFC format | PREV 03 | PREV 06 | PREV 09 | PREV 12 | PREV 09 update (Y) | PREV 03 update(Y+1) | PREV 0...

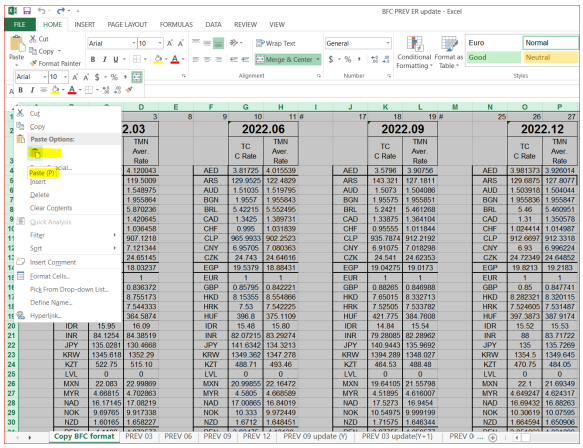
The file has several tabs:

- Copy BFC format
- PREV 03 , PREV 06 , PREV 09 , PREV 12
- PREV 09 update (Y) - *to be used in Oct. YY to update with Sept. YY ACTUAL rates*

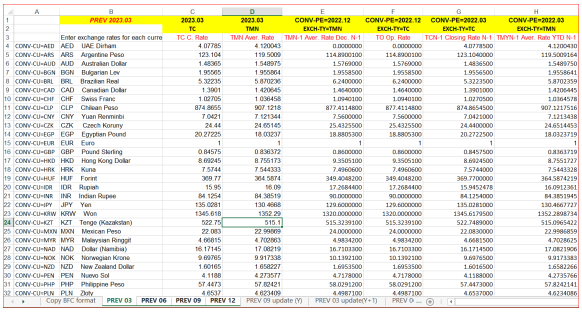
- PREV 03 update (Y+1) , PREV 06 update (Y+1) , PREV 09 update (Y+1) , PREV 12 update (Y+1)- *to be used in Jan.YY+1 to update with Dec. YY ACTUAL rates*

Tab Copy BFC format - is the one to which we should copy/paste the values we receive in BFC input from Corporate Controlling





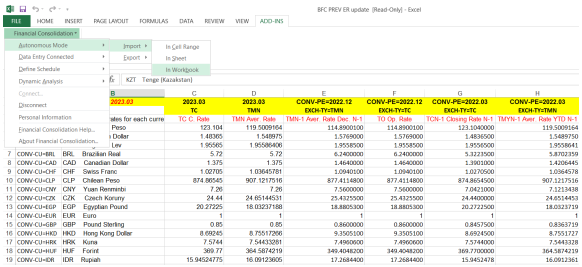
Tabs PREV 03 , PREV 06 , PREV 09 , PREV 12 - will be automatically updated through Excel formulas from "BFC Copy BFC format" and through BFC / Excel retrieval formulas.



<u>PREV 03 and PREV 06 tabs:</u>

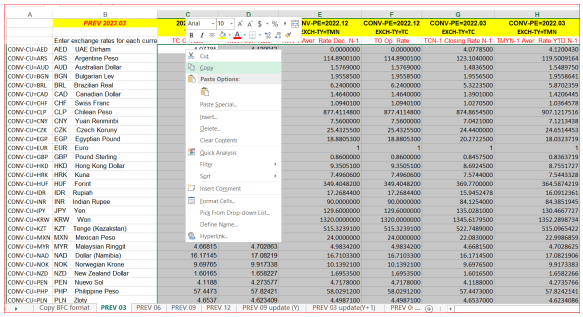
- **TC & TMN** (columns C & D) - values are retrieved through Excel formulas from tab "Copy BFC format" => Rates are Forecasted ones !
- **TMN-1 & TO** (columns E & F) - values are retrieved from BFC (PREV / Dec. Y-1) => Rates are Forecasted ones !
- **TCN-1 & TMYN-1** (columns G & H) - values are retrieved from BFC (REEL / N-1) => Rates are Actual ones !

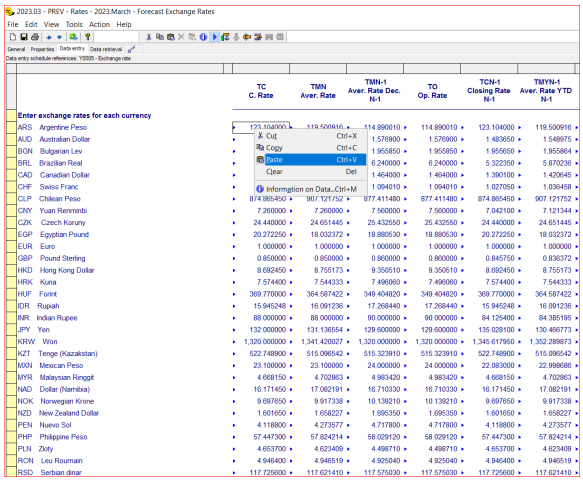
To update **TMN-1 & TO** (columns E & F) and **TCN-1 & TMYN-1** (columns G & H) we must connect to **BFC_Top_SCO** and refresh the file



Once the data have been refreshed we should copy the tables into BFC:

- Select C4:H44 range and copy / paste into BFC

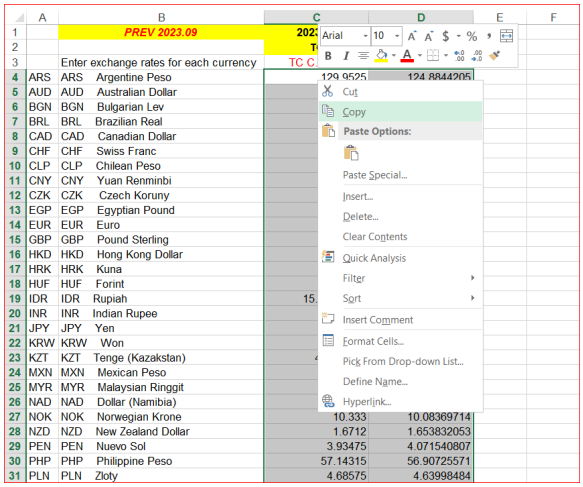


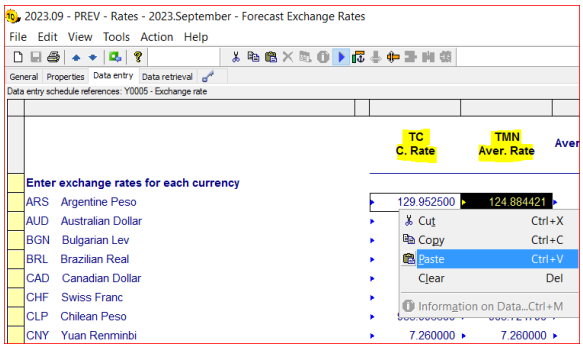


PREV 09 and PREV 12

- **TC & TMN** (columns C & D) - values are retrieved through Excel formulas from tab Copy BFC input => Rates are forecasted ones !
- **TMN-1 & TO & TCN-1 & TMYN-1 -** Actual rates 09 YY and 12 YY not available in July => no action, columns will stay empty

- Select C4:D44 range and copy / paste into BFC

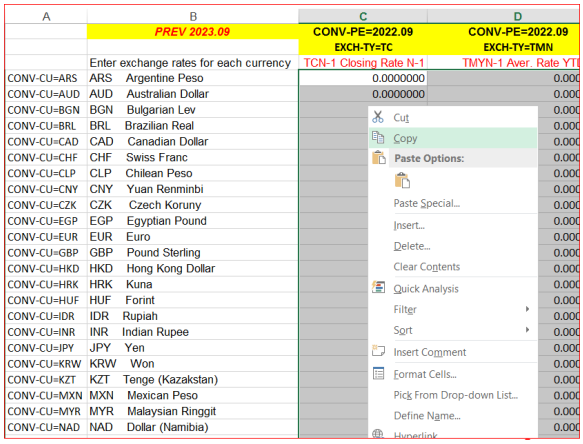


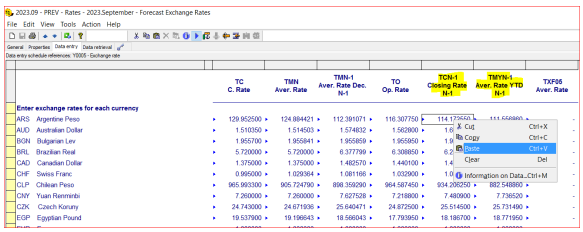


4.2 Update Sept. PREV with Sept. YY REEL Exc. rates

Once 09 YY REEL rates become available (last working day of the month),

- In *BFC PREV ER update.xlsx,* there's a tab **PREV 09 update (Y)** created to retrieve 09 YY REEL rates and to update TCN-1 & TMYN-1 columns in 09 YY+1 PREV rates table.
- **Once the data have been refreshed** (connecting to BFC_TOP) we should copy the 2 columns into BFC.





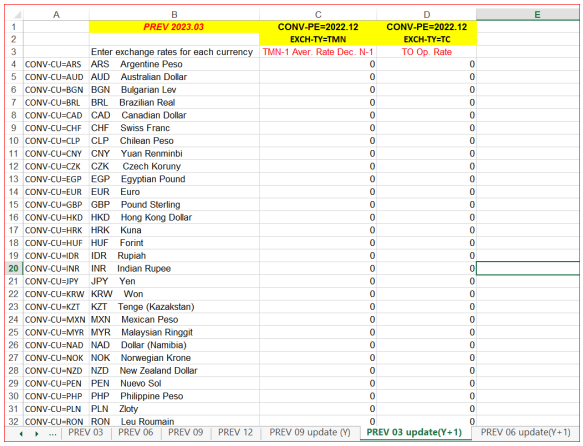
4.3 Update PREV with Dec. YY REEL Exc. rates

Once 12 YY REEL rates become available (last working day of the month), YY+1 PREV rates tables can be updated.

- In *BFC PREV ER update.xlsx* **(\\Acew1ptsescp3\BFC-SHARE\ER\PREV)**
  there are 4 tabs **PREV 03 update(Y+1), PREV 06 update(Y+1), PREV 09 update(Y+1) and PREV 12 update(Y+1)** created to retrieve 12 YY REEL rates and update Dec. YY-1 in PREV rates.

<u>PREV 03 update(Y+1), PREV 06 update(Y+1), PREV 09 update(Y+1) tabs:</u>

- In these tables we need to update **TMN-1 & TO** columns.
- **Once the data have been refreshed** (connecting to BFC_TOP) we should copy the 2 columns in each corresponding BFC table.

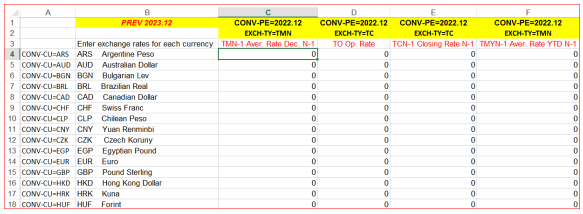


	A	B	C	D	E
1		PREV 2023.03	CONV-PE=2022.12 EXCH-TY=TMN	CONV-PE=2022.12 EXCH-TY=TC	
2					
3		Enter exchange rates for each currency	TMN-1 Aver. Rate Dec. N-1	TO Op. Rate	
4	CONV-CU=ARS	ARS Argentine Peso	0	0	
5	CONV-CU=AUD	AUD Australian Dollar	0	0	
6	CONV-CU=BGN	BGN Bulgarian Lev	0	0	
7	CONV-CU=BRL	BRL Brazilian Real	0	0	
8	CONV-CU=CAD	CAD Canadian Dollar	0	0	
9	CONV-CU=CHF	CHF Swiss Franc	0	0	
10	CONV-CU=CLP	CLP Chilean Peso	0	0	
11	CONV-CU=CNY	CNY Yuan Renminbi	0	0	
12	CONV-CU=CZK	CZK Czech Koruny	0	0	
13	CONV-CU=EGP	EGP Egyptian Pound	0	0	
14	CONV-CU=EUR	EUR Euro	0	0	
15	CONV-CU=GBP	GBP Pound Sterling	0	0	
16	CONV-CU=HKD	HKD Hong Kong Dollar	0	0	
17	CONV-CU=HRK	HRK Kuna	0	0	
18	CONV-CU=HUF	HUF Forint	0	0	
19	CONV-CU=IDR	IDR Rupiah	0	0	
20	CONV-CU=INR	INR Indian Rupee	0	0	
21	CONV-CU=JPY	JPY Yen	0	0	
22	CONV-CU=KRW	KRW Won	0	0	
23	CONV-CU=KZT	KZT Tenge (Kazakstan)	0	0	
24	CONV-CU=MXN	MXN Mexican Peso	0	0	
25	CONV-CU=MYR	MYR Malaysian Ringgit	0	0	
26	CONV-CU=NAD	NAD Dollar (Namibia)	0	0	
27	CONV-CU=NOK	NOK Norwegian Krone	0	0	
28	CONV-CU=NZD	NZD New Zealand Dollar	0	0	
29	CONV-CU=PEN	PEN Nuevo Sol	0	0	
30	CONV-CU=PHP	PHP Philippine Peso	0	0	
31	CONV-CU=PLN	PLN Zloty	0	0	
32	CONV-CU=RON	RON Leu Roumain	0	0	

PREV 03 | PREV 06 | PREV 09 | PREV 12 | PREV 09 update (Y) | PREV 03 update(Y+1) | PREV 06 update(Y+1)

PREV 12 update(Y+1) tab:

- In these table we need to update **TMN-1, TO, TCN-1 & TMYN-1** columns.
- **Once the data have been refreshed** (connecting to BFC_TOP) we should copy the 4 columns in 12.YY+1 BFC table.

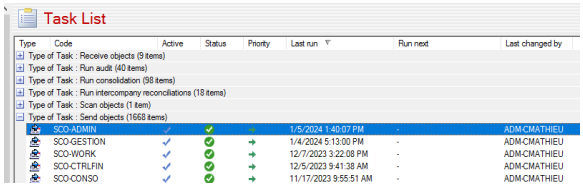


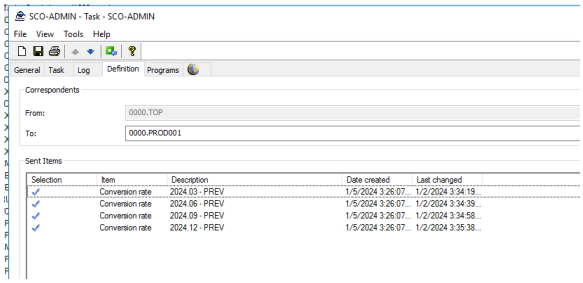
	A	B	C	D	E	F
1		PREV 2023.12	CONV-PE=2022.12 EXCH-TY=TMN	CONV-PE=2022.12 EXCH-TY=TC	CONV-PE=2022.12 EXCH-TY=TC	CONV-PE=2022.12 EXCH-TY=TMN
2						
3		Enter exchange rates for each currency	TMN-1 Aver. Rate Dec. N-1	TO Op. Rate	TCN-1 Closing Rate N-1	TMYN-1 Aver. Rate YTD N-1
4	CONV-CU=ARS	ARS Argentine Peso	0	0	0	0
5	CONV-CU=AUD	AUD Australian Dollar	0	0	0	0
6	CONV-CU=BGN	BGN Bulgarian Lev	0	0	0	0
7	CONV-CU=BRL	BRL Brazilian Real	0	0	0	0
8	CONV-CU=CAD	CAD Canadian Dollar	0	0	0	0
9	CONV-CU=CHF	CHF Swiss Franc	0	0	0	0
10	CONV-CU=CLP	CLP Chilean Peso	0	0	0	0
11	CONV-CU=CNY	CNY Yuan Renminbi	0	0	0	0
12	CONV-CU=CZK	CZK Czech Koruny	0	0	0	0
13	CONV-CU=EGP	EGP Egyptian Pound	0	0	0	0
14	CONV-CU=EUR	EUR Euro	0	0	0	0
15	CONV-CU=GBP	GBP Pound Sterling	0	0	0	0
16	CONV-CU=HKD	HKD Hong Kong Dollar	0	0	0	0
17	CONV-CU=HRK	HRK Kuna	0	0	0	0
18	CONV-CU=HUF	HUF Forint	0	0	0	0

4.4 Piloting to BFC_Prod_SCO database

Task SCO-ADMIN has to be used to pilot PREV Exchange rates tables.

No need for Internal control evidences as maintenance of exchange rates is considered as Recurring activities from BFC administration team.





5. Consolidation definition

1 single data entry period of PREV consolidation with **5 consolidated periods**:

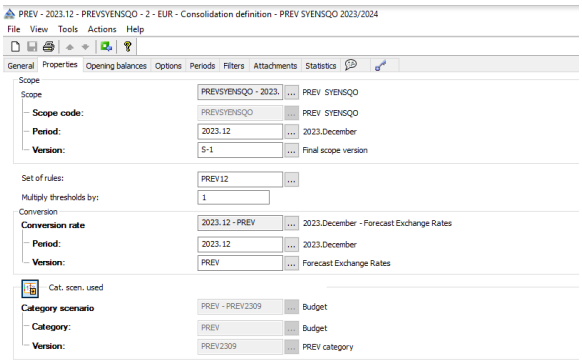
- Unique data entry period 12.YY
- 5 consolidated periods 12.YY; 03.YY+1; 06.YY+1; 09.YY+1; 12.YY+1

In the tab **General** , the following parameters have to be selected:

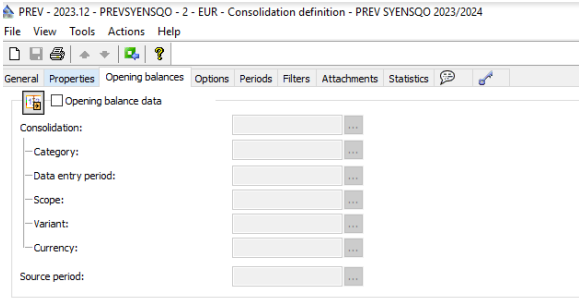
- **Category:** PREV
- **Data entry period:** YYYY.12
- **Scope:** PREVSYENSQO
- **Variant:** 2
- **Currency:** EUR
- **Long Description:** PREV SYENSQO YYYY- YYYY+1

In the tab **Properties** should contain the following information:

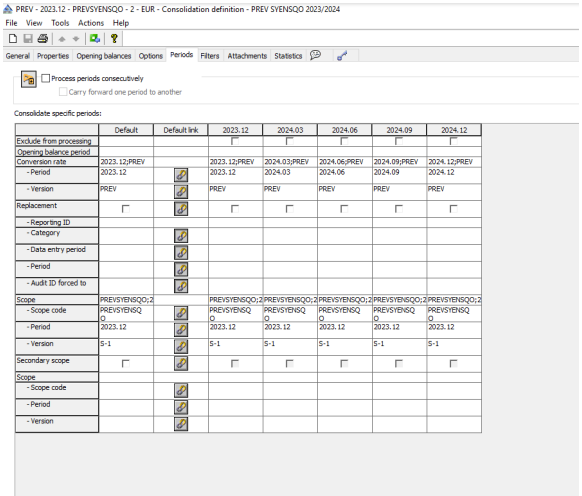
- **Scope Period:** YYYY.12
- **Version:** S-1
- **Set of rules:** PREV12
- **Multiply thresholds by:** 1
- **Conversion Rate Period:** YYYY.12
- **Conversion Rate Version:** PREV



In the tab **Opening Balances: not applicable**, as explained earlier in this procedure, Budget is focused on future, not needing any link with the past ACTUAL's or PREV's



In the tab **Periods** for each period source of Exc. Rates has to be **adjus ted with the corresponding PREV table**



6. Communication to Syensqo Corporate Controlling

In July at the initialization phase and at each update of PREV customizing objects, e-mail has to be sent to Syensqo Corporate Controlling to **confirm the availability of changes in the BFC_Prod_SCO** database.

END OF THIS PROCEDURE