

S02.03-EL-03-I.3

I - Financial Liabilities: General principles

3. Recognition, valuation, write-downs, impairments

3.1. Valuation

- Notes to the consolidated financial statements related to
- [21. Financial liabilities](#)
- Current income tax in [11. Income taxes](#)
- **Payables** are recorded in the balance sheet at their par value.
- **Payables denominated in foreign currencies** are considered as monetary assets. They should be valued to the rate of exchange ruling at the balance sheet date at the end of each period.
Amounts, which are hedged, should be converted at the rate of exchange as determined by the hedging contract.

2. Write-downs

- Specific write-downs should be made where a debt has gone bad (effectively un-collectable), or is likely to go bad.
- Increases and releases of write-downs should not be netted off.
- Write-downs should be reversed if, at the end of the year, they exceed the current estimate for which they were recorded.