

CBS costs

2. Administrative and Commercial costs (R330): CBS costs

CBS (Corporate and Business Support) costs are split between:

- **R33400 - Function costs at the origin:** All costs directly managed by a corporate function and engaged for the function. Function costs are accounted for in consolidated legal entities.

They are classified in 2 types of activities:

Corporate costs: Activities not directly benefiting the business of the GBUs but benefiting Solvay as a headquarter. (i.e TAX, Group Accounting & Reporting, Ethics & Compliance, Strategy)

- Those amounts are not allocated to the GBU via the Corporate Guarantee mechanism,
- Covered by transfer pricing invoicing (CBS Invoicing), and charged into the division 50 / CBSS market in the receiving legal entity (the charge stays in the function perimeter, no impact in GBU). It is reported under [R33200 - Shared service function costs invoiced](#)

Shared costs covered by "Corporate Guarantee mechanism": Costs of the activities that are directly benefiting to the GBU employees and business (i.e HR connect teams, Controlling Platform, SBS activities ...)

- The GBU's are charged through the "Corporate Guarantee mechanism" : monthly charge (determined during Budget period) in a reporting entity (done centrally), without impact on legal entities accounting.
- Covered by transfer pricing invoicing (CBS Invoicing), and charged into the division 50 / CBSS market in the receiving legal entity (the charge stays in the function perimeter, no impact in GBU). It is reported under [R33200 - Shared service function costs invoiced](#)

Function costs contain only primary costs (salaries, purchase of goods and services, revenues from third parties invoicing ...)

- **R33310 - Non-function costs:** Non direct GBU costs within legal entities, that are not directly managed by a function (division 59).

Examples: adjustments of provisions for pension, non-operational recurring expenses, technical cost centers, costs related to closed sites, Stock options costs

- **R33200 - Shared service function costs invoiced**

This heading collects all invoices sent and received by Solvay consolidated legal entities related to CBS transfer pricing invoices. This heading is only used for CBSS Market, and should not host any GBU amounts.

This heading only contains the following transfer pricing schemes:

- CBS invoicing flows
- CAMS commission : Factoring commissions, i.e. amounts invoiced by the factor in payment for services rendered for the recovery of receivables and the management of related litigation. These commissions represent management and commercial risk expenses.

Include:

- Factoring and financial commissions paid by the entities to the factor.
- Factoring and financial commissions received by CICC from its participants.
- Exclude the fees linked to the exchange rate paid to the factor ([R12900 - Other variable expenses on sales](#))