

S03.03-IS-01-R380-I.7

I - Other operating Gains & Losses: General principles

7. Financial items related to operational (R381)

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Other financial expenses (R53620) and income (R53720) related to operational

- Miscellaneous financial gains and losses relating to the usual business of an entity but resulting from events unconnected to its activities
 - Are taken into account:
 - Relating to miscellaneous receivables, time deposits and cash assets:
 - Gains and losses on realizations.
Note: Realization is used here in the meaning not only of sale and resale, but also of contribution and compensation.
 - Write-downs and reversals of write-downs.
 - Results from reinsurance activities.
 - Other financial charges and income:
 - Positive or negative variation between the provision for discount (net sales) and the discount really granted.
 - Expenses related to trade and miscellaneous liabilities, such as interests paid to suppliers, social security institutions,
 - Financial expenses related to research costs.
 - Other financial expenses:
 - Customer discount when it has not been considered in the payment terms
 - Penalties due to arrears
 - Charges on discounted bills for the Mercosur only (non-Mercosur: "[R54620 - Other financial charges related to non-operational items](#)")
 - Interest paid on sureties, backing
 - Bank charges
 - Costs of buying and selling financial instruments, taxes on financial instruments listed on the stock exchange
 - Company organization costs
 - Equity issuance costs incurred by subsidiaries and joint operations (e.g. expenses and taxes related to capital increases)
 - Exchange commissions
 - Miscellaneous financial charges
 - Other financial income:
 - Discount obtained from suppliers, linked to payment terms
 - Income on discounted bills for the Mercosur only (non-Mercosur: "[R54720 - Other financial income related to non-operational items](#)")
 - Commissions received on credit lines
 - Interest received on sureties, backing
 - Income from trade receivables
 - Service fees received from customers
 - Miscellaneous financial income
 - Interests on loans to personnel.
 - Are not taken into account
 - Gains and losses on exchange rate and currency conversion ("[R53800 - Foreign operational exchange gains and losses - realized and unrealized](#)").
 - Interests received by the entity on its [external financial receivables](#)

Financial risks provision and loans written off related to operational (R53900)

- Write-down and reversal on external financial receivables
- Gains and losses on sale of external financial receivables
- Loans written off related to operational

Write-down of financial assets on non-consolidated companies (R53910)

= Write-down and reversal recorded by the entity on its long-term investments to bring their value more closely into line with market realities.

Include equity earnings related to non-consolidated companies (for consolidated companies, the equity earnings are declared in [R53920 - Write-down on consolidated companies](#)).

Comments:

- This heading is used when an economic revaluation of investments is decided upon.
- Write-downs are charged in the event of a long-lasting decline in the value of investments, so as to adjust their book value to their market value.
- Write-downs should be reversed if they become wholly or partly inapplicable.