



# EXPORTER QUESTIONNAIRE

## A4 COPY PAPER EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

Period of Investigation: 1 JANUARY 2015 – 31 DECEMBER  
2015

Response due by: **19 May 2016**

**Important note:** The Commissioner will reject all requests for a longer period to provide a response to this exporter questionnaire received after this date. Extensions requested before this date will *only* be agreed to where necessary and reasonable.

### CASE CONTACT

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Anti-Dumping  
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### RETURN OF QUESTIONNAIRE DETAILS

Preferably by email to: [operations2@adcommission.gov.au](mailto:operations2@adcommission.gov.au)

Or by mail  
(CD-ROM or USB): Attention: Director Operations 2  
Anti-Dumping Commission  
GPO Box 1632  
Melbourne VIC 3001  
Australia

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## **THE GOODS UNDER CONSIDERATION**

### **Goods Description**

The goods under consideration (“the goods”) i.e. the goods exported to Australia at allegedly dumped prices and in receipt of subsidies, are:

*The imported products the subject of this application are uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 70 to 100 gsm and cut to sheets of metric sizes A4 (210mm x 297mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).*

The applicants provide the following additional information:

*The paper is not coated, watermarked or embossed and is subjectively white. It is made mainly from bleached chemical pulp and/or from pulp obtained by a mechanical or chemi-mechanical process and/or from recycled pulp.*

### **Tariff classification**

The goods are currently classified to tariff subheadings 4802.56.10 (statistical code 03) of Schedule 3 to the *Customs Tariff Act 1995*.

These goods are subject to 3 per cent Customs duty.

## **BACKGROUND AND GENERAL INSTRUCTIONS**

### **Why you have been asked to fill out this questionnaire?**

The Anti-Dumping Commission (the Commission) is responsible for investigating the allegation that A4 copy paper has been exported to Australia from China at prices less than their normal value, and in receipt of countervailable subsidies, and that the dumping and subsidisation has caused material injury to the Australian industry.

The Commission will use the information you provide to determine normal values, export prices and subsidies over the investigation period. This information will determine whether A4 copy paper is dumped and/or subsidised. You may make separate submissions concerning any other matter, for example injury.

The Commission investigation will be carried out under the provisions of the Part XVB of the Customs Act 1901.

### **What happens if you do not respond to this questionnaire?**

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem you uncooperative. In that case, the Commission may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry), and it may assess a dumping and subsidy margin for your company based upon normal values and subsidies that may be the highest determined in your country during the investigation period.

It is in your interest, therefore, to provide a complete and accurate submission, capable of verification.

### **Due date for response**

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

The Commissioner must consider the Direction from the Minister for Industry, Innovation and Science as set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* (the Direction). This Direction sets out the particular considerations that the Commissioner must take into account when:

- deciding whether a longer period is reasonably required or practicable under subsections 269TC(6) and 269TC(9) of the *Customs Act 1901* (the Act), or considering whether to allow any interested party a longer period to give any response;
- considering an insufficient response from an interested party;
- determining whether to have regard to a late response;
- determining whether an exporter is an uncooperative exporter;

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- determining whether or not an entity is a non-cooperative entity for the purposes of section 269TAACA; and
- determining whether an entity has significantly impeded a case.

The full text of the Direction and the accompanying explanatory statement is available on the Comlaw website at [www.comlaw.gov.au](http://www.comlaw.gov.au). This and other reforms to Australia's anti-dumping system are explained in Anti-Dumping Notice No. 2015/129, available on the Commission's website at [www.adcommission.gov.au](http://www.adcommission.gov.au).

If you cannot lodge your submission by the due date please advise the investigation Case Manager as soon as possible.

### **Confidential and non-confidential submissions**

You are required to lodge one confidential version (for official use only) and one non-confidential version (for public record) of your submission by the due date.

Please ensure that each page of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The public record version of your submission will be placed on the public record.

Please note, Australia's anti-dumping and countervailing legislation requires that to the extent that information given to the Commission is claimed to be confidential or whose publication would adversely affect a business or commercial interest, the person giving the information must ensure that a summary of that information contains sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

The legislation allows that a person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information. However, such a summary would add considerably to an interested party's understanding of information contained in a document.

As provided for in Australia's anti-dumping and countervailing legislation, all submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a non-confidential summary, please contact the investigation Case Manager.

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### **Exporter's declaration**

At Section J, you are required to make a declaration that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the period of investigation, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

### **Verification of the information that you supply**

The Commission will seek to verify the information provided in your submission. Where there are a large number of exporters, the Commission may have to verify information from selected exporters only. The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits take several days. We will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. We will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. We may also need to see your factory, in which case we will need to consult with your operational managers.

After gathering the information we will prepare a report of the visit. We will provide you with a draft of the report and then respond to any questions you have. We will ask you to prepare a non-confidential copy of the report for the public record.

### **If you do not manufacture the goods**

You may export but not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods). In such cases it is important that you forward a copy of this questionnaire to the relevant manufacturers **immediately**. You should also inform the investigation case officer of the contact details for these manufacturers.

You should complete those sections of the questionnaire that you are reasonably able to complete. If, for example, you are unable to supply details of production costs, you should clearly explain why the section does not apply to your company.

### **If you do not export the goods**

Depending on the arrangement for sale of the goods to Australia through an intermediary, the Commission will have to determine who is the exporter of the goods for the purpose of this investigation.

In any case, information (such as cost of production data) supplied by the manufacturer will be relevant to establishing the normal value of the goods. In the absence of verified information, the Commission may use other available information. This information may result in a decision less favourable to your company.

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### **Outline of information required by this questionnaire**

- Section A** General information relating to your company including financial reports.
- Section B** A complete list of your company's exports to Australia over the investigation period.
- Section C** A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration (the goods).
- Section D** A detailed list of all of your company's sales of like goods in your domestic market.
- Section E** Information to allow a fair comparison between export and domestic prices.
- Section F** Information in relation to your company's exports of like goods to countries other than Australia.
- Section G** Costs to make and sell, for exports to Australia and for the domestic market.
- Section H** Particular market situation
- Section I** Countervailing (subsidisation)
- Section J** Your declaration.
- Section K** Exporter questionnaire response checklist
- Appendix 1** A glossary of terms used in this questionnaire

### **Some general instructions for preparing your response**

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to *all* sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of the response should be traceable to company documents that are used in the ordinary course of business.
- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.



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### Instructions on providing electronic data

- It is important that information is submitted in electronic format.
- Electronic data should be emailed, or submitted on a CD-ROM or USB.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). Excel files must be compatible to the USA version.
- An Excel workbook, ***Exporter Questionnaire spreadsheets – A4 Copy Paper*** accompanies this questionnaire and forms a template for your response to the data requested. The workbook is referred to throughout this questionnaire as appropriate. This workbook should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation case officer as soon as possible.

### Further information

Before you respond to the questionnaire you should read all the key documentation related to this application including the applicant's non-confidential submission and the Anti-Dumping Notice notifying the initiation of the investigation. These documents are available on the Commission's website, [www.adcommision.gov.au](http://www.adcommision.gov.au)

We also advise that you read the attached glossary of terms.

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager. The Commission will need to know the reasons.

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**SECTION A - COMPANY STRUCTURE AND OPERATIONS**

This section requests information relating to company details and financial reports.

**A-1 Identity and communication**

Please nominate a person within your company who can be contacted for the purposes of this investigation:

*Head Office: Rhyovis Ltd (we are an exporter/trader)*

Name: Farhad Darbandi  
Position in the company: Managing Director  
Address: Unit 1710 Citicorp Centre, 18 Whitfield Road, Hong Kong  
Telephone: (+852) 2571 0586  
Facsimile number: (+852) 2571 0528  
E-mail address of contact person: farhad.darbandi@ryhovis.com

*Factory: Does not apply to our company, we are an exporter/trader*

Address:  
Telephone:  
Facsimile number:  
E-mail address of contact person:

**A-2 Representative of the company for the purpose of investigation**

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Name: Sandy Lu  
Address: Unit 1710 Citicorp Centre, 18 Whitfield Road, Hong Kong  
Telephone: (+852) 2571 0595  
Facsimile/Telex number: (+852) 2571 0528  
E-mail address of contact person: sandy.lu@ryhovis.com

*Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.*

**A-3 Company information**

1. What is the legal name of your business? What kind of entity is it (eg. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.  
Rhyovis Ltd. We are a sole trader.

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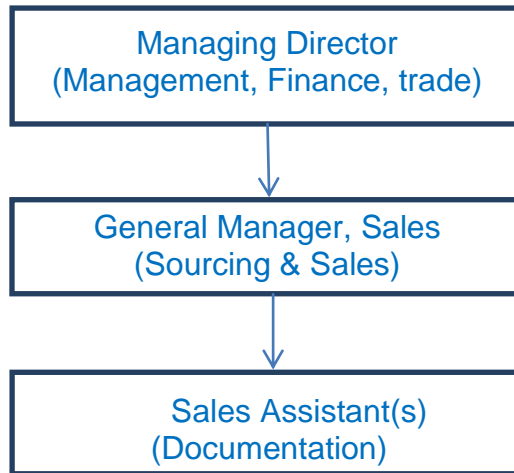
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2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).  
Rhyovis Ltd is solely owned by Mr. Farhad Darbandi.
3. If your company is a subsidiary of another company, list the principal shareholders of that company.  
We are not subsidiary of any other company.
4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.  
We do not have any parent company and we are not subsidiary of any other company.
5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.  
We do not have any associated or affiliated companies.
6. Are any management fees/corporate allocations charged to your company by your parent or related company?  
We do not have any parent company and we are not subsidiary of any other company.
7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.  
Nature of our business is international trading. We are an exporter/trader.
8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:
  - produce or manufacture  
Yueyang Forest & Paper Co., Ltd  
Address: Chenglingji, Yueyang, Hunan, China
  - sell in the domestic market  
Rhyovis doesn't sell to Chinese domestic market, but Yueyang Forest & Paper Co Ltd sells to Chinese domestic market through their local sales channel.
  - export to Australia, and  
Rhyovis exports Yueyang Forest & Paper Co., Ltd copy paper to Australia
  - Export to countries other than Australia.  
Copy paper we only export to Australia up till now

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9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.



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**SECTION D - DOMESTIC SALES**

*This section does not apply to our company. Up to this date, we did not have domestic sales for copy paper*

*This section seeks information about the sales arrangements and prices in the domestic market of the country of export.*

*All domestic sales made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data and you are unable to provide the complete listing electronically you **must** contact the case officer **before** completing the questionnaire. If the case officer agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the Commission's requirements. If agreement cannot be reached as to the appropriate method the Commission may not visit your company.*

*The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.*

*If, in response to question B4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices –*

- *you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*
- *If you do not have any domestic sales of like goods you must contact the case officer who will explain the information the Commission requires for determining a normal value using alternative methods.*

*Does not apply to our company. Up to this date, we did not have domestic sales.*

**D-1** Provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;
- information concerning the functions/activities performed by each party in the distribution chain; and
- a copy of any agency or distributor agreements, or contracts entered into.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

**D-2** Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

**D-3** Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and

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- whether price includes the cost of delivery to customer.

If sales are in accordance with price lists, provide copies of the price lists.

#### **D-4 Domestic sales data**

Complete the 'Domestic sales' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

This data should be provided on a transaction by transaction basis.

The below table provides some explanation of the data requested in the Domestic sales spreadsheet.

<b>Column heading</b>	<b>Explanation</b>
Customer name	names of your customers
Level of trade	the level of trade of your customers in Australia
Model	commercial model name
Product code	code used in your records for the model/grade/type identified. Explain the product codes in your submission.
Tariff code	Code used to indicate which category the goods are included
GSM	Specify grammage per square metre
Recycled content	Specify % of recycled content
Size	A4 paper
Thickness	µm
Density	Kg/m <sup>3</sup>
Brightness	State whether TAPPI or ISO standard
Whiteness	CIE Whiteness standard
Invoice number	invoice number
Invoice date	invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date <i>other than</i> the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract, or purchase order date.
Order number	if applicable, show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Shipping terms	Delivery terms eg. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms eg. 60 days=60 etc
Actual weight	Actual weight (specify units e.g. Tonnes)
Gross invoice value	Gross invoice value shown on invoice <i>in the currency of sale, excluding taxes.</i>
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide a description.
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of the sale to the currency used in your accounting system
Net invoice value in the currency of the	The net invoice value expressed in your domestic currency as it is entered in your accounting system

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exporting country	
Other discounts	The actual amount of other discounts (e.g. quantity discounts) not deducted from the invoice. Show a separate column for each type of quantity discount.
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed.
Marine insurance	Amount of marine insurance
FOB export price**	The free on board price at the port of shipment.

Costs marked with \* are explained in section E-2.

**D-5** If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in question D-4 above add a column for each item (see “other factors”). For example, certain other selling expenses incurred.

**D-6** For each type of commission, discount, rebate, allowance paid to any party that are influenced by the domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to question D4.

Please specify all forms of rebate (include volume-based, expense reimbursement, promotional support, ), the detail basis (i.e. price-based and/or volume based, reimbursement, part of global volume rebate structure), and the country in which it was paid

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

**D-7** Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales. Provide a complete set of documentation for those two sales. (Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, bank documentation showing proof of payment.)

The Commission will select additional sales for verification at the time of our visit.

*This section does not apply to our company. Up to this date, we did not have domestic sales for copy paper*

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**SECTION E - FAIR COMPARISON**

*Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (ie. the normal value).*

*Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.*

*As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.*

*To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.*

*Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.*

*Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.*

*A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.*

*The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.*

**As mentioned above we do not have domestic sales, therefore this Section does not apply to us. We are an exporter/ trader.**



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**E-1 Costs associated with export sales**

(These cost adjustments will relate to your responses made at question B-4, 'Australian sales')

**1. Transportation**

Explain how you have quantified the amount of inland transportation associated with the export sale (“**Inland transportation costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

**2. Handling, loading and ancillary expenses**

List all charges that are included in the export price and explain how they have been quantified (“**Handling, loading & ancillary expenses**”). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at question B4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees
- other ancillary charges.

**3. Credit**

The cost of extending credit on export sales is not included in the amounts quantified at question B4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales eg, short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in section E-2 below.

**4. Packing costs**

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List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**Packing**'.

**5. Commissions**

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in question B-4 under the column headed "**Commissions**". Identify the general ledger account where the expense is located.

**6. Warranties, guarantees, and after sales services**

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ("**Warranty & guarantee expenses**" and "**Technical assistance & other services**"), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

**7. Other factors**

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed "**Other factors**". For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

**8. Currency conversions**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

**E-2 Costs associated with domestic sales**

(These cost adjustments will relate to your responses made at question D-4, "**domestic sales**")

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*The following items are not separately identified in the amounts quantified at question D-4. However you should consider whether any are applicable.*

### 1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design, mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative costs (S G & A) plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

### 2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods), or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia;

the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border, and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing the import duty borne by the domestic sales. (That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment).

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;

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- the amount of the duties and taxes refunded upon *exportation* and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold *domestically* but is not borne by the exports to Australia;

### Substitution drawback systems

Annex 3 of the WTO Agreement on Subsidies provides: “*Drawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs*”

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

### 3. Level of trade

Question D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user, and original equipment.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade (may be adjusted for using either of the following methods:

- (a) *costs arising from different functions*: the amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

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- a detailed description of each sales activity performed in selling to your domestic customers (for example sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment.

or

- (b) *level discount*: the amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter. For this method to be used it is important that a clear pattern of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

#### 4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at question D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowing's by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over each month of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

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Where there is no fixed credit period agreed at the time of sale the period of credit is determined on the facts available. For example, where payment is made using an open account system<sup>1</sup>, the average credit period may be determined as follows:

### 1. Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. (It is a measure of how many times the average receivables balance is converted into cash during the year).

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by 2, or
- total monthly receivables divided by 12.

### 2. Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at 1.

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

*The following items are identified in the amounts quantified at question D-4:*

## 5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (“**Inland transportation Costs**”). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

## 6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified (“**Handling, loading and ancillary Expenses**”). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

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<sup>1</sup> Under an open account system, following payment the balance of the amount owing is carried into the next period. Payment amounts may vary from one period to the next, with the result that the amount owing varies.

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### 7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed “**Packing**”.

### 8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description
- explain the terms and conditions that must be met.

Report the amount in the sales listing under the column headed “**Commissions**”. Identify the general ledger account where the expense is located.

### 9. Warranties, guarantees, and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses (“**Warranty & Guarantee expenses**” and “**Technical assistance & other services**”), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair, or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

### 10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed “**Other factors**”. List the factors and show how each has been quantified in per unit terms. For example:

- *inventory carrying cost*: describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;
- *warehousing expense*: an expense incurred at the distribution point;
- *royalty and patent fees*: describe each payment as a result of production or sale, including the key terms of the agreement;
- *advertising*; and
- *bad debt*.

## E-3 Duplication

In calculating the amount of the adjustments you must ensure that there is no duplication.

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For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

As mentioned above we do not have domestic sales, therefore this Section does not apply to us. We are an exporter/ trader.



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**SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)**

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

*Up to now we did not export any copy paper to any country other than Australia. Therefore this Section does not apply to our company.*

**F-1 Third country sales data**

Complete the 'Third country' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

This data should be provided on a summary basis.

The below table provides some explanation of the data requested in the Third country spreadsheet.

<b>Column heading</b>	<b>Explanation</b>
Country	Name of the country that you exported like goods to over the investigation period.
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period.
Level of trade	The level of trade that you export like goods to in the third country.
Quantity	Indicate quantity, in units, exported to the third country over the investigation period.
Unit of quantity	Show unit of quantity eg kg
Value of sales	Show net sales value to all customers in third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the country eg. 60 days=60 etc
Shipment terms	Typical shipment terms to customers in the third country eg CIF, FOB, ex-factory, DDP etc.

**F-2** Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**SECTION G - COSTING INFORMATION AND  
CONSTRUCTED VALUE**

*This section does not apply to our company. We are an exporter/trader.*

*The information that you supply in response to this section of the questionnaire will be used for various purposes including:*

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration (the goods) - ie of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

*You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the selling, general, and administration costs relating to goods sold on the domestic market; the finance expenses; and any other expenses (eg. non-operating expenses not included elsewhere) associated with the goods.*

*In your response please include a worksheet showing how the selling, general, and administration expenses; the finance expenses; and any other expenses have been calculated.*

*If, in response to question B4 (Sales to Australia, Export Price) you:*

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices, and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales)*

*you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.*

*At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.*

*Does not apply to our company. We are an exporter/trader. We do not manufacture the goods. This section does not apply to us.*

**G-1. Production process and capacity**

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

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**G-2. Production capacity data**

Complete the 'Production' spreadsheet in the *Exporter Questionnaire spreadsheets – copy paper* workbook.

**G-3. Cost accounting practices**

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.
2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were state whether all variances (ie differences between standard and actual production costs) have been allocated to the goods - and describe how those variances have been allocated.
3. Provide details of any significant or unusual cost variances that occurred during the investigation period.
4. Describe the profit/cost centres in your company's cost accounting system.
5. For each profit/cost centre describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated, and how allowances are made for capital expenditures and other development costs.
6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.
7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.
8. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

**G-4 Cost to make and sell on domestic market**

*This information is relevant to testing whether domestic sales are in the ordinary course of trade.<sup>2</sup>*

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<sup>2</sup> The Commission applies the tests set out in s.269TAA of the Customs Act 1901 to determine whether goods are in ordinary course of trade. These provisions reflect the WTO anti-dumping agreement – see Article 2.2.1.

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Complete the 'Domestic CTMS' spreadsheet in the *Exporter Questionnaire spreadsheets – copy paper* workbook.

- Please provide the actual unit cost to make and sell **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.
- Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.
- Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
- If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.
- In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.
- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

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### G-5 Cost to make and sell goods under consideration (goods exported to Australia)

*The information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.*

Complete the 'Australian CTMS' spreadsheet in the **Exporter Questionnaire spreadsheets – copy paper** workbook.

- Please provide the actual unit cost to make and sell **separately for each model/type** (identified in section C) of the goods sold to Australia.
- Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.
- Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.
- Provide the information broken down into fixed and variable costs, and indicate the % total cost represented by fixed costs.
- If you are unable to supply this information in this format, please contact the case officer for this investigation at the address shown on the cover of this questionnaire.
- Please specify unit of currency.
- Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.
- Give details and an explanation of any significant differences between the costs shown, and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.
- In calculating the unit cost to make and sell, provide an explanation if the allocation method used (eg number, or weight etc) to determine the unit cost differs from the prior practice of your company.
- Supply your Bill of Materials **separately for each model/type** (identified in section C) of the like goods sold on the domestic market.

### G-6 Major raw material costs

List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

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- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (eg market prices, transfer prices, or actual cost of production).

Where the major input is produced by an associate of your company the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company); companies controlled by the other company; and companies having the same person in the board of directors.

**Important note: If the major input is sourced as part of an integrated production process (e.g. pulp) you should provide detailed information on the full costs of production of that input.**

*This section does not apply to our company. We are an exporter/trader.*

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**SECTION H – PARTICULAR MARKET SITUATION**

Does not apply to our company. We are an exporter/trader in Hong Kong. We do not manufacture the goods. This section does not apply to us.

*The applicants claim that a 'market situation' exists in respect of copy paper from China due to government influence on both the prices of the goods and the major raw material inputs used in the manufacture of the goods.*

*The existence of a 'market situation' could affect the Commission's approach to calculating normal value within its dumping assessment.*

*In broad terms, it is generally the case that the normal value of the goods is the price paid for like goods sold for home consumption in the country of export. One of the exceptions to using domestic selling prices for this purpose provides that the domestic selling prices are not an appropriate basis for normal value if the Minister is satisfied that a situation in the market has rendered domestic selling prices unsuitable for establishing normal values (i.e. a 'particular market situation' exists).*

*One of these situations may be where the domestic selling prices in the country of export have been materially affected by government influence rendering those prices unsuitable for use in establishing normal values.*

*Through this questionnaire, the Commission is providing producers/exporters of the subject goods in China the opportunity to supply evidence that the sector under investigation is operating under market conditions. In examining the matter, the Commission will also send questionnaires to the Government of China and continue to examine information available from third-party sources.*

*It may be necessary for the Commission to request additional information following receipt and review of your response.*

There are three parts to this section:

PART H-1 - Requests information concerning the organisation of your company and the Government of China's involvement in the business of your company.

PART H-2 - Requests information concerning the Government of China's measures with respect to the copy paper industry in China.

PART H-3 - Requests information concerning the copy paper sector in the region where your company is located.

Does not apply to our company. We are an exporter/trader in Hong Kong. We do not manufacture the goods. This section does not apply to us.

**PART H-1 GENERAL INFORMATION**

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

The information requested in this part will provide an overview of your corporate organisation and the Government of China's involvement in your business. In addition to your response to each of the questions, all necessary supporting documentation is requested.

1. Specific questions are asked throughout this questionnaire in relation to the Government of China's interaction with your businesses.

However, please generally describe all interaction that your business has with the Government of China at all levels, including (but not limited to):

- a) reporting requirements;
- b) payment of taxes;
- c) senior management representation within your business;
- d) supervision by the State-owned Assets Supervision and Administration Commission (SASAC) or a body under the control of SASAC.
- e) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);
- f) licensing;
- g) restrictions on land use;
- h) provision of loans; or
- i) provision of grants, awards or other funds.

## **2. Business structure, ownership and management**

- a) Indicate whether your company is a state-owned or state-invested enterprise (SIE) (refer to the Glossary of Terms for definition).
- b) List the Board of Directors and Board of Shareholders of your business and all other entities/businesses your business is related to.

Indicate the names of common directors and officers between yours and related businesses, where applicable.

- c) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders representatives, employees, or otherwise affiliated with the Government of China (at any level, from any agency, party, or otherwise associated entity, including SASAC)?

If so, identify the individuals, their role on that Board and their affiliation with the Government of China.



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- d) Does your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders have a representative from the Chinese Communist Party (CCP)? If so, identify their name and title and indicate their position at the board level.
- e) Are any members of your business' (and/or all other entities your business is related to) Board of Directors or Board of Shareholders appointed, managed or recommended by the Government of China? If so, identify any relevant government department(s) they are affiliated with.
- f) Indicate who owns what percentage of all shares in your business and identify whether they are:
  - an affiliate, representative, agency or otherwise representative of the Government of China;
  - employees of your business;
  - foreign investors; or
  - other (please specify).
- g) Provide the details of any significant changes in the ownership structure of your business during the investigation period.
- h) Identify any positions within your business that are appointments or designated to act on behalf of Government of China authorities.
- i) Explain whether there are requirements in law and in practice to have government representation at any level of your business. If there is such a requirement, explain the role of government representatives appointed to any level of your business.
- j) If your business is a publicly-traded company, what are the rules regarding the issuance of shares by your business? Identify any stock exchanges on which your business is listed.
- k) Provide the monthly trading volume and average monthly trading price of your listed security between 1 January 2015 and 31 December 2015.
- l) Who has the ability to reward, fire or discipline your business' senior managers?
- m) Do any of your company's senior managers hold positions in any Government of China departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.
- n) Provide the names and positions of your company's pricing committee.

### **3. Licensing**

- a) Provide a copy of your business license(s).

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- b) Identify the Government of China departments or offices responsible for issuing the license(s).
- c) Describe the procedures involved in applying for the license(s).
- d) Describe any requirements or conditions that must be met in order to obtain the license(s).
- e) Describe and explain any restrictions imposed on your business by the business license(s).
- f) Describe any sanctions imposed on your business if you act outside the scope of your business license(s).
- g) Describe and explain any rights or benefits conferred to your business under the license(s).
- h) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

#### **4. Decision-making, planning and reporting**

- a) Provide a description of your business' decision-making structure in general and in respect of paper products. This should identify the persons or bodies primarily responsible for deciding:
  - (i) what goods are produced;
  - (ii) how the goods are produced;
  - (iii) how levels of inputs such as raw materials, labour and energy are set and secured;
  - (iv) how the use of your outputs, such as how your product mix is determined; and
  - (v) how your business' profit is distributed, etc., is determined.
- b) Provide a description of any Government of China input into the decision-making process respecting your manufacture, marketing and sale of copy paper.
- c) Provide a list of all government departments/offices that are involved, either directly or indirectly, in your manufacture, sale or purchase of copy paper.
- d) List and describe all reports that must be submitted to the Government of China periodically by your company, and identify the government department/office where each report is filed.
- e) Provide a copy of the last two Provincial/City Five Year Plans (including the appendices) for the province/city in which your business is located, whichever is applicable. The copies should be fully translated including the appendices, along with the original Chinese version.

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- f) Does your business develop any five-year plans or similar planning documents? If so, provide copies of these plans and advise whether these plans have been submitted, reviewed or approved by the Government of China (including the National Development and Reform Commission).
- g) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.
- h) Provide copies of the notes to company meetings where pricing decisions on copy paper have been made over the investigation period.

**5. Financial and investment activities**

- a) How is your business debt funded? Provide a list of all major lenders.
- b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?
- c) Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If so, provide details.
- d) Has your business raised any capital using issuance of shares, preferential shares, rights issue, bonds, warrants, debentures, sub-ordinate loans or any other debt and/or equity instruments in the last 5 years? If so:
  - i. explain what instruments were used;
  - ii. identify the type (e.g government guarantee) and provider of the security; and
  - iii. explain the reasons for raising the capital.
- e) Does your business have policies on how cash reserves are to be invested? If so, provide details.
- f) Has your business invested in either government or non-government debt securities (such as bonds, quasi-government bonds)? If so provide details (e.g. type of instrument, amount invested and the expected rate of return).

**PART H-2 GOVERNMENT OF CHINA MEASURES IN THE PULP AND PAPER SECTOR**

The information requested in this part will allow for a better understanding of the Government of China's measures in respect of copy paper in China, in addition to your response to each of the questions, all necessary supporting documentation is requested.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

1. Are there any other Government of China opinions, directives, decrees, promulgations, measures, etc. concerning the pulp and paper industry/sector that were put in place or operating during the investigation period; for example but not limited to, the *Twelfth Five-Year Plan of Paper Industry* of the National Development and Reform Commission, Ministry of Industry and Information Technology, and the State Forestry Administration?

If yes, please provide a copy of that documentation and a translation as well. Also provide documentation concerning the Government of China or any association of the Government of China's notification of the measures concerning copy paper to your company over the investigation period.

2. Provide information concerning the name of any Government of China departments, bureaus or agencies responsible for the administration of all Government of China measures concerning the copy paper industry in the regions, provinces or special economic zones where your company is located.

Ensure that your response includes contact information regarding the following areas:

- industrial policy and guidance on the copy paper sector;
  - market entry criteria for the copy paper industry sector;
  - environmental enforcement for the copy paper industry sector;
  - management of land utilization;
  - the China Banking Regulatory Commission for the copy paper industry sector;
  - investigation and inspection of new copy paper expansion facilities;
  - the section in the National Development and Reform Commission that is responsible for the copy paper industry sector; and
  - import licensing for raw materials relating to copy paper manufacture.
3. Describe any role your company plays in the development of government's industrial plans and/or policies at all levels of government, including the Papermaking Industry Development 12th Five-Year Plan. For example, does your company provide information for, or request inclusion in, any plans, policies, or measures?
  4. Does your company provide information relating to assessments of the implementation of the plan, policy or measure?
  5. Has the Government of China designated your company and/or industry as "pillar," "encouraged," "honorable," or any other designation? If so, please answer the following questions.

- (a) Explain the purpose of these designations, the criteria for receiving any such designation, and the benefits or obligations that arise from each such designation.

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- (b) Is there any connection between these designations and five-year plans or other industrial and/or economic policies or administrative measures?
- (c) Please describe any instances in which your company cited Government of China plans, policies, or measures as support for receiving the financing that you report.

**6. Twelfth Five-Year Plan for Paper Industry**

The Commission is aware of the State Forestry Administration's *Papermaking Industry Development 12th Five-Year Plan* (2011 to 2015) which includes an overarching strategy for the Chinese paper industry and designates that industry as 'strategic' (i.e. encouraged). The following questions relate to that policy.

- a) Explain in detail how the policy and any updates regarding the policy were communicated to your company.
- b) Identify the government department, association, or company official that communicated this policy or any related measures, to your company as well as the government office or association and the names of the officials who are responsible for the administration of this policy.
- c) Explain in detail the information that has been provided to you from official and unofficial channels concerning action to be taken by your company in relation to the policy.
- d) Do you have designated officials that have provided direction to your company regarding the Government of China's measures and how to proceed with your current project or future plans within the scope of the policy?
- e) Explain in detail if there are additional directives or measures from the Government of China that have been communicated to your company, since the inception of the policy.
- f) Explain in detail whether the policy has ever impacted your company's investment plans. This may include reference to specific measures considered or taken by your company to address issues and/or objectives raised by the policy. Such items may include but are not limited to items such as project approval process, credit and loans (including discounted interest payments), the environment, the scale of production, energy use, raw material inputs etc.
- g) Explain the ongoing mechanism used by the Government of China to measure your company's compliance with the policy directives and/or guidelines.

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- h) Are review and approval decisions regarding investments in the copy paper sector made by the central government or are they delegated to the regional or provincial level?
- i) Describe the role of the National Development and Reform Commission in terms of communicating, implementing and overseeing policies governing the copy paper sector, including but not limited to, China's *Papermaking Industry Development 12th Five-Year Plan*.

**7. Other government approvals**

The below questions address the approvals that are necessary from various Government of China agencies, including the National Development and Reform Commission, in order to continue or initiate copy paper investments.

- a) Explain whether your company has undertaken an approval process through the Government of China for any pulp and paper investments in the last 10 years.
- b) Explain whether any applicable investments received the necessary approval and if so, provide documentation confirming this approval.
- c) If your investment was not approved, provide the reasons given for the refusal.
- d) Describe the process your company has to follow to obtain these approvals.
- e) Provide a translated copy of the application form along with the original Chinese version.
- f) Identify the office that sent communication of these requirements to your company along with the office address, contact names, phone numbers and fax numbers.

**8. The restructure of the pulp and paper industry in China**

The Commission is aware of the Government of China's key "Development Goals" relating to the pulp and paper industry in China, including the elimination of *outdated capacity*. The following questions relate to these goals:

- a) Explain in detail if there were any directives, measures, or incentives from the Government of China that have been communicated to your business since the inception of these development goals? For example, closing certain plants or consolidating certain operations.
- b) Identify the Government department, association or company official that communicated these guidelines or any related measures to your business.

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- c) Identify the Government department, association or company and names of officials who are responsible for the administration of these development goals.
- d) Explain in detail how these guidelines have or might impact on your business. This may include reference to specific measures considered or taken by your business. Such items may include but are not limited to items such as project approval process, credit and loans terms (including any preferential interest rates), the environmental issues, discounted rate of energy and raw materials.
- e) Explain any on-going mechanism used by the Government of China to measure your business compliance with the policy directives and/or guidelines.

Does not apply to our company. We are an exporter/trader in Hong Kong. We do not manufacture the goods. This section does not apply to us.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**PART H-3 THE COPY PAPER SECTOR**

The information requested in this part will assist in providing a better understanding of the Government of China measures and your business' sales and production of A4 copy paper.

In addition to your narrative response to each of the questions, all necessary supporting documentation is requested.

Does not apply to our company. We are an exporter/trader. We do not manufacture the goods. This section does not apply to us.

**1. Taxation**

- a) Were there any export taxes on the exports of copy paper during the investigation period?
- b) What was the VAT rebate applicable to copy paper exports during the investigation period?
- c) Have there been any changes to the value-added tax rebate applicable to copy paper exports in the last 5 years? If yes, provide:
  - i. a detailed chronological history of the value-added tax rebate rates;
  - ii. products affected;
  - iii. the effective dates of the rate changes;
  - iv. fully translated copies of any Government of China notices regarding these changes, including the relevant appendices.
- d) Are you aware of any tax changes being planned that would impact the copy paper sector?

**2. Sales terms**

- a) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of copy paper by your business.
- b) Explain how the selling prices of copy paper by your business are determined, including any Government of China involvement in your business' pricing decisions, and indicate if the goods are subject to Government of China direct or indirect pricing or government guidance pricing.
- c) Does your business coordinate the selling prices or supply of copy paper with other domestic producers or any Government of China departments? If so, provide details.
- d) Explain whether your business provides information or data to the Government of China, other government officials or commercial/industry organisations, including those outside of China, which report on the pulp and paper sector.
- e) Explain whether your business provides copy paper price data to any other person at the provincial, regional or special economic zone level of government.



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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**3. Industry associations**

- a) Is your business a member of any business associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the associations.
- b) If your business is a member of an industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the Government of China concerning the pulp and paper industry.

**4. Other industry associations**

- a) Is your business a member of any other industry associations? If so, explain your business' relationship with the association and the involvement of the Government of China with the association.
- b) If your business is a member of another industry association, indicate whether this membership is voluntary or compulsory. Explain the functions that the association provides for your business. Explain in detail the role of the association with respect to the directives as provided by the Government of China concerning the pulp and paper industry.

**5. Statistics submission/recording**

- a) Indicate if your business makes submissions<sup>3</sup> to the Chinese Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

Provide a recent example of a submission that has been made to the Bureau of Statistics and/or any other government organisation. For example, monthly data relating to sales, production and costs.

- b) Do the organisations approve or assess your submission? If yes, provide a detailed explanation.
- c) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

**6. Manufacturing inputs**

- a) Is there a price difference in purchase price for raw materials between your suppliers?
- b) Is there a price difference between purchase price of raw materials from SIEs/SOEs and non-SIEs/SOEs? Provide explanation.

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<sup>3</sup> For example, monthly data relating to sales, production and costs.

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- c) If your supplier is based outside China, what import duty rate is applied on the raw materials?
- d) Does your business benefit from any concession on the purchase of any utility services (e.g. electricity, gas, etc.)? If so explain the nature and the amount of the concession?

**7. Regional differences**

- a) If you have production facilities in more than one region/province, are the laws and regulations in each region the same with respect to pricing? Provide details on any regional differences.

**8. Copy paper production/output during the investigation period**

- a) Is any part of your production of copy paper subject to any national/regional industrial policy or guidance? If so, provide details including a background of the policy/guidance and explain any restriction imposed by the policy/guidance.
- b) To what extent are any of the policies/guidelines identified in a) applicable to your business?
- c) Where applicable, how did your business respond to the policies/guidelines?
- d) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, use, etc.) to the sale of copy paper that may be imposed by the Government of China.
- e) Provide a list of all your domestic customers of the goods, include the location (city and province) of the customer and indicate whether each customer is an SIE.
- f) Are there any restrictions and/or conditions in relation to the quality or quantity of the production of the goods placed upon your business? If so, provide details.
- g) Does your business require an export licence? If so, provide details.
- h) Are the goods sold by your business subject to any export restrictions and/or limits during the previous 5 year? If so, provide details.
- i) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.
- j) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

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(Identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**9. Sales price during the investigation period**

- a) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the investigation period.
- b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of China during the investigation period, with respect to raw material inputs.
- c) Explain whether your business has encountered any price guidance or controls established by regional, provincial or special economic zone officials and/or organisations.
- d) Describe in detail how the selling price of the goods is determined. In particular, provide details of any restrictions, limitations, or other considerations imposed on your business.
- e) Which organisation/business entity do you consider as the price leader of the goods?
- f) Does your business have a pricing committee in respect of the goods? If so provide the names and positions of all members of the Committee.
- g) How often does the pricing committee meet to discuss selling prices of the goods? Provide the minutes or any other relevant documents of all meetings of the pricing committee during the investigation period.
- h) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.
- i) If you have production facilities of the goods in more than one region and/or province, are the laws and regulations in each region the same with respect to pricing of the goods? If not, provide details on the differences.

**10. Adding capacity and/or joint ventures**

- a) Provide a detailed explanation with respect to the government approval process on adding capacity and/or joint ventures in relation to your business.
- b) Does the government have the right to request modifications in the terms of adding capacity and/or joint ventures? If yes, provide a detailed explanation.

**11. Raw material purchases**

- a) Provide a detailed listing of your raw material purchases (e.g. logs, woodchip, pulp, or chemicals) by completing the Raw Material Purchases tab of the attached spreadsheet).

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- b) Do you have more than one supplier of the raw materials? If so, provide an explanation of the reasons of price differences between these suppliers? Are any of the suppliers related or affiliated with you? Are any of the suppliers SOEs (wholly or partially owned)?
- c) Describe in detail your business' purchase procedures of the raw materials and the considerations in selecting a supplier. If it is by tenders, provide details of the criterions/conditions.
- d) If any of your raw materials for the copy paper are imported by your business, or related businesses :
  - i. Provide details including a description of the raw material imported, the supplier and country of origin.
  - ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).
  - iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).
  - iv. Are you eligible for a duty drawback? If so, provide details.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**SECTION I - COUNTERVAILING (SUBSIDISATION)**

*The applicant alleges that producers in China of copy paper have benefited from a number of subsidies granted by the Government of China (meaning any level of government – refer to the Glossary of Terms for further information), and that these subsidies are countervailable.*

Does not apply to our company. We are an exporter/trader. We do not manufacture the goods. This section does not apply to us.

**INVESTIGATED PROGRAMS**

The following are programs that the Commission is currently investigating:

<b>Program Number</b>	<b>Program Name</b>	<b>Program Type</b>
1	Policy Loans to the Paper Industry	Preferential lending
2	Provision of Calcium Carbonate for less than adequate remuneration	Provision of goods
3	Provision of Caustic Soda for less than adequate remuneration	Provision of goods
4	Provision of Titanium Dioxide for less than adequate remuneration	Provision of goods
5	Provision of Coal for less than adequate remuneration	Provision of goods
6	VAT rebates relating to raw materials	Tariff & VAT
7	Preferential Income Tax Program for High or New Technology Enterprises	Income Tax
8	Preferential Income Tax Program for Comprehensive Utilisation Entitling Enterprise	Income Tax
9	Tax Allowance for Special Equipment for Water and Energy-Saving Purchased by Enterprises	Income Tax
10	VAT and Import Tariff Exemptions for Imported Equipment	Tariff & VAT
11	VAT Rebates on FIE Purchases of Chinese Made Equipment	Tariff & VAT
12	Subsidies for Energy Efficiency and Environmental Protection	Grant
13	Support Fund for Environmental Protection Project - Rizaho City	Grant
14	Support Fund for Environmental Protection Input	Grant
15	Support Fund for Environmental Protection Project	Grant

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

<b>Program Number</b>	<b>Program Name</b>	<b>Program Type</b>
16	City Bonus for Export Activity from Finance Bureau	Grant

Please answer the questions within parts I-1 to I-4 in relation to these programs.

**PART I-1 PREFERENTIAL LENDING:**

**Program 1: Policy Loans to the Paper Industry**

It has been alleged that preferential lending or 'policy loans' from Chinese policy banks or state-owned commercial banks (SOCBs) may be providing a benefit to Chinese pulp and paper manufacturers.

1. Report all financing to your company that was outstanding at any point in the past 25 years, regardless of whether you consider the financing to have been provided under this program. Submit the information requested in the Loans tab within the attached Excel spreadsheet. Ensure that you report all forms of financing outstanding during the POI, not only traditional loans. This includes, but is not limited to, interest expenses on bank promissory notes, invoice discounting, and factoring of accounts receivable. If your company did not make interest payments on the financing during the POI (e.g., factoring of accounts receivable), then identify the specific terms of the financing (e.g., the discount rate associated with the factoring).
2. Please describe the qualification and approval process that your company had to undertake to qualify for these loans.
3. What eligibility criteria did you company have to meet in order to qualify for this lending program?
4. Was eligibility contingent upon export performance or on the use of domestic goods over imported goods? If not:
  - a) was eligibility limited to certain sectors and/or regions?
  - b) was eligibility limited in any way? If so, describe the criteria involved.
  - c) can all firms which meet the eligibility criteria benefit from this aid or does the bank exercise discretion?
  - d) was eligibility met by performance requirements such as, but not limited to, production targets, export earnings and the requirement to use Chinese productive inputs?

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

5. Please provide supporting documentation to evidence your company's receipt of these loans including the loan application, the loan contract, approval copies of the loans received, relevant extracts from your accounting records and supporting information that the rates and repayments established under the loan contract have been paid.
6. Please estimate the amounts of the benefit your company has received over the life of the loan under this lending program. You can do this by comparing the interest payments made to the interest payments that would have been paid if the loan was provided at the market rate.

**PART I-1 GOODS PROVIDED FOR LESS THAN ADEQUATE REMUNERATION**

**Programs 2, 3, 4 and 5: Provision of Calcium Carbonate, Caustic Soda, Coal, and Titanium Dioxide for Less Than Adequate Remuneration**

The Commission has received information that the copy paper industry in China may receive, for less than adequate remuneration, goods and services including the provision of calcium carbonate, caustic soda, coal, and titanium dioxide.

1. Did your business or any company/entity related to your business receive any benefit under the following programs during the review period (1 April 2013 to 31 March 2014):
  - Program 2: Provision of calcium carbonate
  - Program 3: Provision of caustic soda
  - Program 4: Provision of coal
  - Program 5: Provision of titanium dioxide
2. Does your company purchase any of the above goods from SOEs?
3. Complete the Raw Material Purchases tab (in the attached Excel file), including a contact name and address, of all your suppliers of the goods listed in question 1 above. Indicate whether each supplier is a SOE.
4. Describe the costs (fees and charges) associated with these programs. In particular, any fixed charges and variable charges related to supply of the good/service.
5. During the review period, did your business receive any discount to normally available prices of the goods listed in question 1 above. If so, please provide details.

**PART I-2 PREFERENTIAL INCOME TAX PROGRAMS**

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

1. Did your business or any company/entity related to your business receive any benefit<sup>4</sup> under the following income tax programs identified below during the investigation period (1 January 2015 to 31 December 2015)?

**Program 7:** Preferential Income Tax Program for High or New Technology Enterprises

**Program 8:** Preferential Income Tax Program for Comprehensive Utilisation Entitling Enterprise

**Program 9:** Tax Allowance for Special Equipment for Water and Energy-Saving Purchased by Enterprises

2. It is our understanding that the general tax rate for enterprises in China from 1 July 2010 was 25%. Confirm whether this is correct and if not, please identify the general tax rate for enterprises in China from 1 July 2010, indicating any changes in the taxation rate over the period July 2010 – December 2015.
3. If your business currently pays corporate income tax at a rate less than 25% (or whatever the rate of general tax is as discussed above) , or paid at a rate less than that during the investigation period, please indicate whether the reduced rate relates to any of the preferential income tax programs identified above.
4. If the income tax rate of less than the general rate does not relate to any of the programs identified above, please provide an explanation for the reduced income tax rate and answer the questions in Part I-1 above in relation to the income tax rate reduction.

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

5. Provide complete details of the amount of the benefit received, including whether it was received in total or in instalments.
6. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
7. Describe the application and approval procedures for obtaining a benefit under the program.
8. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
9. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

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<sup>4</sup> Refer to the Glossary of Terms for a definition of benefit in this context.



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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

10. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
11. State whether your eligibility for the program was conditional on one or more of the following criteria:
  - a) whether or not your business exports or has increased its exports;
  - b) the use of domestic rather than imported inputs;
  - c) the industry to which your business belongs; or
  - d) the region in which your business is located.
12. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
13. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
14. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
15. To your knowledge, does the program still operate or has it been terminated?
16. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
17. If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-2 in relation to this programme.
18. For each taxation year from 2012 to 2015, complete the "**Income Tax**" spreadsheet in the ***Exporter Questionnaire spreadsheets – A4 copy paper*** workbook.
19. Provide a copy, bearing the official stamp of the appropriate level of the Government of China of all
  - corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2012, 2013, 2014 and 2015 tax years; and
  - income tax instalment payment receipts, and all applicable income tax forms and schedules for the 2012, 2013, 2014 and 2015 tax years.

***Note: If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.***

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**PART I-3      TARIFF AND VAT EXEMPTIONS ON IMPORTED MATERIALS  
AND EQUIPMENTS**

It is our understanding that certain enterprises in China are eligible for exemption from the payment of import duty and import VAT on imported inputs, technologies and machinery, for example.

**Program 6:** VAT rebates relating to raw materials

**Program 10:** VAT and Import Tariff Exemptions for Imported Equipment

**Program 11:** VAT Rebates on FIE Purchases of Chinese Made Equipment

If your business or any company/entity related to your business received benefits under any such programs, including the above, during the period **1 January 2015 to 31 December 2015**, please answer the following questions.

1. Please complete the **VAT & Tariff Programs** tab in the supplied Excel spreadsheet.
2. Provide complete details, in the **VAT and Tariff Transactions** tab of the attached Excel spreadsheet, involving the amount of the VAT refund received, including whether the refund was received in a lump sum or multiple instalments.
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
  - a) whether or not your business exports or has increased its exports;
  - b) the use of domestic rather than imported inputs;
  - c) the industry to which your business belongs; or
  - d) the region in which your business is located.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
11. To your knowledge, does the program still operate or has it been terminated?
12. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?
13. If the program terminated has been substituted for by another program, identify the program.
14. Were the materials and/or equipment that were entitled to a refund of VAT used in the production of the goods during the investigation period? If yes, provide the following information:
  - (a) type of inputs;
  - (b) cost of inputs;
  - (c) quantity of inputs; and
  - (d) amount of VAT refunded.
15. Has your company received exemption from payment of or refunds of import duty and import VAT for imported material inputs at any time that were used in the production of the goods during the investigation period? If yes, provide the following information:
  - (a) description of imported product;
  - (b) country of origin;
  - (c) quantity of imported product;
  - (d) purchase price;
  - (e) terms of purchase (e.g. FOB, CIF);
  - (f) ocean freight;
  - (g) value for duty of imported product;
  - (h) regular rate of taxes and duties;
  - (i) concessionary rate of taxes and duties;
  - (j) amount of duties and taxes normally applicable;
  - (k) amount of duties and taxes paid;
  - (l) amount of duties and taxes exempt;
  - (m) date of importation;
  - (n) tariff classification number;
  - (o) customs entry number; and
  - (p) application fee.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

16. Explain if (and how) the Government of China determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).
17. Explain how the Government of China determined the percentage rate of duty exemption.

Please note that goods consumed in the production of exported goods (inputs) include:

- (a) goods incorporated into the exported goods; and
  - (b) energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.
18. Provide a representative sample of copies of import entry documents (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt inputs and duty-paid inputs imported for use in the manufacturing of the subject goods.
  19. In addition to the import entry documents, also provide copies, if applicable, of any applications submitted to and/or approval document received from the Government of China relating to the exemption from the payment of import duty and import VAT on imported inputs and in relation to the VAT that is refunded on the exportation of the subject goods.
  20. Provide copies of reports and audits by the Government of China authority responsible for administering the duty rebate or duty drawback scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

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(identify which version – see 'BACKGROUND AND GENERAL INSTRUCTIONS')

**PART I-4 GRANTS:**

It is the Commission's understanding that the Government of China may be providing grants to enterprises in China including the following programs identified above:

**Program 12:** Subsidies for Energy Efficiency and Environmental Protection

**Program 13:** Support Fund for Environmental Protection Project - Rizaho City

**Program 14:** Support Fund for Environmental Protection Input

**Program 15:** Support Fund for Environmental Protection Project

**Program 16:** City Bonus for Export Activity from Finance Bureau

1. Did your business or any company/entity related to your business receive any benefit under the above programs during the period **1 January 2015 to 31 December 2015**?
2. Did your business receive benefits under any other grant (including awards, prizes, funds) program during the period **1 January 2015 to 31 December 2015**?

For each program identified in your answer to I-2.1 and I-2.2 above, answer the following, as well as completing the **Grants** tab in the attached Excel workbook.

3. Provide complete details involving the amount of the grant received, including whether the grant was received in a lump sum or multiple instalments.
4. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
5. Describe the application and approval procedures for obtaining a benefit under the program.
6. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
7. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
8. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
9. State whether your eligibility for the program was conditional on one or more of the following criteria:

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- a) whether or not your business exports or has increased its exports;
- b) the use of domestic rather than imported inputs;
- c) the industry to which your business belongs; or
- d) the region in which your business is located.

10. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
11. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
12. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
13. To your knowledge, does the program still operate or has it been terminated?
14. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

15. Identify the body responsible for administering the grant.
16. Identify the date of approval of the grant and the date the grant was received.
17. Indicate where the grant was accounted for on your business' financial statements.

### PART I-5 ANY OTHER PROGRAMS

If the Government of China, any of its agencies or any other authorised body has provided any other benefit<sup>5</sup> under any other assistance programs to your entity not previously addressed, identify the program(s).

This may have included:

- the provision of grants, awards or prizes;
- the provision of goods or services at a reduced price (e.g. electricity, gas, water, raw materials (including, for example, certain chemicals), transport);
- the reduction of tax payable including income tax and VAT;

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<sup>5</sup> Refer to the Glossary of Terms for a definition of benefit in this context.

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- reduction in land use fees;
- loans from Policy Banks at below-market rates; or
- any other form of assistance.

For **each program** that you have identified above as conferring benefit on your entity, answer the following.

1. Please complete the **Other Programs** tab of the attached Excel spreadsheet.
2. Indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of China in relation to the program.
5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
  - a) whether or not your business exports or has increased its exports;
  - b) the use of domestic rather than imported inputs;
  - c) the industry to which your business belongs; or
  - d) the region in which your business is located.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
11. To your knowledge, does the program still operate or has it been terminated?

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12. If the program has been terminated, please provide details (when, why).  
When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

13. If the program terminated has been substituted for by another program, identify the program and answer all the questions in Part I-1 in relation to this programme.

Does not apply to our company. We are an exporter/trader. We do not manufacture the goods. This section does not apply to us.



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**SECTION J - EXPORTER'S DECLARATION**

I hereby declare that Rhyovis Ltd (company) did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

I hereby declare that.....(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

**Name**      **Farhad Darbandi**

**Signature** :.....

**Position in**  
**Company**   **Managing Director**

**Date**

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**SECTION K - CHECKLIST**

*This section is an aid to ensure that you have completed all sections of this questionnaire.*

<b>Section</b>	Please tick if you have responded to all questions
Section A – general information	<input type="checkbox"/>
Section B – export price	<input type="checkbox"/>
Section C – like goods	<input type="checkbox"/>
Section D – domestic price	<input type="checkbox"/>
Section E – fair comparison	<input type="checkbox"/>
Section F – exports to third countries	<input type="checkbox"/>
Section G – costing information	<input type="checkbox"/>
Section H – particular market situation	<input type="checkbox"/>
Section I – countervailing (subsidisation)	<input type="checkbox"/>
Section J - declaration	<input type="checkbox"/>

<b>Electronic Data</b>	Please tick if you have provided spreadsheet
<b>INCOME STATEMENT</b>	<input type="checkbox"/>
<b>TURNOVER</b> – sales summary	<input type="checkbox"/>
<b>AUSTRALIAN SALES</b> – list of sales to Australia	<input type="checkbox"/>
<b>DOMESTIC SALES</b> – list of all domestic sales of like goods	<input type="checkbox"/>
<b>LIKE GOODS</b>	<input type="checkbox"/>
<b>THIRD COUNTRY</b> – third country sales	<input type="checkbox"/>
<b>PRODUCTION</b> – production figures	<input type="checkbox"/>
<b>DOMESTIC CTMS</b> – costs of goods sold domestically	<input type="checkbox"/>
<b>AUSTRALIAN CTMS</b> – costs of goods sold to Australia	<input type="checkbox"/>
<b>INCOME TAX</b> – tax paid by your business for tax years 2011 to 2013	<input type="checkbox"/>
<b>RAW MATERIAL PURCHASES</b> - data for integrate manufacturers - all raw materials purchased during the investigation	<input type="checkbox"/>
<b>ELECTRICITY</b> – data for all electricity purchased during the investigation period	<input type="checkbox"/>
<b>VAT AND TARIFF</b> – data for VAT and Tariff exemptions	<input type="checkbox"/>

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### APPENDIX 1 - GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

#### Adjustments

To enable a fair comparison between the export price and the normal value Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences, and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include: *sales occurring at different times* (it is sometimes necessary to compare domestic and export sales made at different times - in these circumstances an adjustment may be made to reflect price movements during that time); *specification differences*; *packaging*; *taxes*; *level of trade*; *advertising*; *servicing/warranty*; *inland freight*; *warehousing*; *export charges*; *credit terms*; *duty drawback*; *commissions*.

Adjustments may also be required where the normal value is based upon costs to make and sell.

#### Arms length

Sales are not considered to be at "arms length" on your domestic market if there is any consideration payable for the goods other than their price, or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

#### Associated Companies

Persons shall be deemed to be associates of each other if, and only if:

(a) both being natural persons:

- (i) they are connected by a blood relationship or by marriage or by adoption; or
- (ii) one of them is an officer or director of a body corporate controlled, directly or indirectly, by the other;

(b) both being bodies corporate:

- (i) both of them are controlled, directly or indirectly, by a third person (whether or not a body corporate); or
- (ii) both of them together control, directly or indirectly, a third body corporate; or

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(iii) the same person (whether or not a body corporate) is in a position to cast, or control the casting of, 5% or more of the maximum number of votes that might be cast at a general meeting of each of them; or

(c) one of them, being a body corporate, is, directly or indirectly, controlled by the other (whether or not a body corporate); or

(d) one of them, being a natural person, is an employee, officer or director of the other (whether or not a body corporate); or

(e) they are members of the same partnership.

### **Benefit**

As further defined in relation to the definition of the term 'subsidy' below, 'benefit' may include:

- a direct transfer of funds;
- the acceptance of liabilities (e.g debts or other liabilities), whether actual or potential, of your enterprise;
- the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) that was otherwise due (e.g. reduced rate of income tax, waiving certain other taxes);
- the provision of goods or services otherwise than in the course of providing normal infrastructure; or
- the purchase of goods

by the Government of China (at any level), a public body of the Government of China, or a private body entrusted by the Government of China to carry out Government of China functions.

### **Constructed value**

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, ie. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for selling, general and administration costs, and for profits, that are associated with sales on the domestic market of the country of export.

### **Cost of production/manufacturing**

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

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### **Cost to make and sell (CTMS)**

The cost to make and sell is the sum of the cost of production or manufacture, and the selling, general and administration costs associated with the sale of those goods.

### **Country of origin**

The country in which the last significant process in the manufacture or production of the goods was performed.

### **Date of sale**

The Commission will normally use the invoice date as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

### **Direct labour cost**

Direct labour is categorised as a variable cost, ie. the value varies with the level of production.

### **Dumping**

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

### **Dumping margin**

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

### **Export price**

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the Free on Board (FOB) level.

### **Exporting country**

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

### **Enterprise**

"Enterprise" includes a group of enterprises, an industry and/or a group of industries

### **Factory overheads**

Factory overheads consist of variable costs eg. power, supplies, indirect labour and fixed costs eg. factory rent, factory insurance, factory depreciation etc.

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### **Foreign Invested Enterprise (FIE)**

An FIE may be:

1. Chinese-foreign equity joint venture:

Joint venture between a Chinese company, enterprise, or other business organisation and a foreign company, enterprise, business organisation or individual set up in the form of a Chinese limited liability company.

The characteristics of a Chinese-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.

The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. Chinese-foreign contractual joint venture:

A joint venture established between foreign enterprises and other economic organisations or individuals, and Chinese enterprises or other economic organisations within the territory of China. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Chinese and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. Wholly foreign owned enterprises:

A wholly foreign owned enterprise is established by foreign enterprises and other economic organisations or by individuals pursuant to the Chinese laws within the territory of China. All of the wholly foreign owned enterprise's capital is invested by foreign investors. It may also be referred to as a Foreign Enterprise (FE).

### **Goods under consideration (the goods)**

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

### **Incoterms**

The following abbreviations are commonly used (comment is provided concerning costs that are normally borne by the seller):

EXW            ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)

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FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport
CPT	carriage paid to
CIP	carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc
DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation, and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

### Investigation period

A period defined by the Commission over which importations of the goods are examined.

### Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

### Normal value

Australian legislation sets out several ways to assess "normal value".

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The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally, and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

### **Ordinary course of trade**

Testing for "ordinary course of trade" includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time, (again usually 12 months) then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

### **Particular market situation**

Refers to a situation within the domestic market of exported goods that renders sales within that market of those goods unsuitable for determining normal values under s.269TAC(1) of the Act.

### **Program(s)**



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The term “program”, as used throughout this questionnaire in reference to alleged subsidies, refers to broad categories of subsidies that Customs and Border Protection has reason to believe may be available to exporters of the goods.

In this regard, the term “program” as used in this questionnaire should not be taken to necessarily refer to formal programs maintained by the Government of China, nor should it be taken to refer to one specific subsidy. Rather, “program” as used in this questionnaire can refer to informal subsidies provided by the Government of China, and can also refer to multiple individual, albeit similar, subsidies.

### **Selling, general and administration expenses (SG&A)**

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods;
- sale of goods of the same general category by the exporter; or
- sales in the industry in the country of export.

The expenses must, however, reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director’s fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

Throughout this questionnaire, there are certain words and terminology used that require some clarification. The following are their definitions for purposes of this investigation.

### **State-owned or state-invested enterprise (SIE)**

For the purposes of this questionnaire, SOE refers to any company or enterprise that is wholly or partially owned by the Government of China as defined above (either through direct ownership or through association).

In previous investigations and correspondence, the Government of China has advised that the use of the term ‘SOE’ is declining in China, and that these enterprises are now referred to with terms such as:

- ‘enterprises with state investment’
- ‘state-owned assets’
- ‘state-invested enterprises’
- ‘enterprises under the supervision of SASAC’

of which there are several types.

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For the purposes of this questionnaire, SOE refers to any and all of the above types of enterprises.

**Subsidy**

In respect of goods exported to Australia, means:

(a) a financial contribution:

(i) by a government of the country of export or country of origin of the goods;  
or

(ii) by a public body of that country or a public body of which that government is a member; or

(iii) by a private body entrusted or directed by that government or public body to carry out a governmental function;

that involves:

(iv) a direct transfer of funds from that government or body; or

(v) the acceptance of liabilities, whether actual or potential, by that government or body; or

(vi) the forgoing, or non-collection, of revenue (other than an allowable exemption or remission) due to that government or body; or

(vii) the provision by that government or body of goods or services otherwise than in the course of providing normal infrastructure; or

(viii) the purchase by that government or body of goods or services; or

(b) any form of income or price support as referred to in Article XVI of the General Agreement on Tariffs and Trade 1994 that is received from such a government or body;

if that financial contribution or income or price support confers a benefit (whether directly or indirectly) in relation to the goods exported to Australia.