

SECTION H - EXPORTER'S DECLARATION

I hereby declare that..... *JFE Steel Corporation* (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.

partly
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 : Takeshi ESUMI.....

Signature : *T. Esumi*.....

Position in Company:
Staff Deputy General Manager, Export Planning & Coordination Sec.
Sales Coordination & Operation Dept.
JFE Steel Corporation.....

Date : *25 July 2012*.....

SECTION I - CHECKLIST

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

Section	Please tick if you have responded to all questions
Section A – general information	<input checked="" type="checkbox"/>
Section B – export price	<input checked="" type="checkbox"/>
Section C – like goods	<input checked="" 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 – declaration	<input checked="" type="checkbox"/>

partly responded

partly responded

Electronic Data	Please tick if you have provided spreadsheet
Income statement	<input type="checkbox"/>
Turnover – sales summary	<input type="checkbox"/>
Australian sales – list of sales to Australia	<input checked="" type="checkbox"/>
Domestic sales – list of all domestic sales of like goods	<input type="checkbox"/>
Third country – third country sales	<input type="checkbox"/>
Production – production figures	<input type="checkbox"/>
Domestic costs – costs of goods sold domestically	<input type="checkbox"/>
Australian costs – costs of goods sold to Australia	<input type="checkbox"/>



International Trade Remedies Branch
Exporter Questionnaire

Product: Hot rolled coil steel
From: Japan, the Republic of Korea, Malaysia
and Taiwan
Investigation period: 1 April 2011 to 31 March 2012
Response due by: 25 July 2012
Investigation case manager: Lydia Cooke
Phone: +61 2 6245 5434
Fax: +61 2 6275 6990
E-mail: itrops1@customs.gov.au

Australian Customs and Border Protection website:

www.customs.gov.au

**Return completed
questionnaire to:** International Trade Remedies Branch
Australian Customs and Border
Protection Service
5 Constitution Avenue
Canberra ACT 2601
AUSTRALIA

Attention: Director Operations 1

CONTENTS

CONTENTS2

GOODS UNDER CONSIDERATION3

INSTRUCTIONS.....4

 Why you have been asked to fill out this questionnaire?.....4

 What happens if you do not respond to this questionnaire?.....4

 Due date for response.....4

 Confidential and non-confidential submissions5

 Exporter's declaration5

 Verification of the information that you supply5

 If you do not manufacture the goods.....6

 If you do not export the goods.....6

 Outline of information required by this questionnaire.....6

 Some general instructions for preparing your response7

 Instructions on providing electronic data.....7

 Further information8

SECTION A - COMPANY STRUCTURE AND OPERATIONS9

 A-1 Identity and communication9

 A-2 Representative of the company for the purpose of investigation.....9

 A-3 Company information9

 A-4 General accounting/administration information.....11

 A-5 Income statement.....14

 A-6 Sales15

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE).....16

SECTION C - EXPORTED GOODS & LIKE GOODS.....21

SECTION D - DOMESTIC SALES.....22

SECTION E - FAIR COMPARISON25

SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES).....34

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE35

GOODS UNDER CONSIDERATION

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, is hot rolled coil. The applicant provided further details as follows:

General description

The application specifies that:

Hot rolled coil (including in sheet form), a flat rolled product of iron or non-alloy steel, not clad, plated or coated (other than oil coated).

Goods excluded from this application are hot rolled products that have patterns in relief (known as checker plate) and plate products.¹

Hot Rolled Coil ("HRC") is supplied in a range of thicknesses, all of which are covered by this application.

¹ Application for the publication of a dumping duty notice for Hot Rolled Coil exported from Japan, the Republic of Korea, Malaysia and Taiwan (Application), page 10.

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

Customs and Border Protection is responsible for investigating the allegation that hot rolled coil has been exported to Australia from the Republic of Korea (Korea), Taiwan, Japan and Malaysia at dumped prices and is causing, or are threatening to cause, material injury to an Australian industry producing like goods.

Customs and Border Protection will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether hot rolled coil is dumped. You may make separate submissions concerning any other matter, for example injury.

Customs and Border Protection 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, Customs and Border Protection may be required to rely on information supplied by other parties (possibly information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow Customs and Border Protection to verify the information, we may deem that you did not cooperate with the investigation. In that case we may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is in your interest, therefore, to provide a complete submission.

Due date for response

Manufacturers and exporters are requested to respond to this questionnaire and return it to Customs and Border Protection within the time specified on the cover page. There is a statutory time limit imposed for the investigation. Customs and Border Protection may not be able to consider submissions received after the due date.

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

Confidential and non-confidential submissions²

You are required to lodge one confidential and two non-confidential versions of your submission by the due date. Please ensure that *each page* of information you provide is clearly marked either "IN-CONFIDENCE" or "NON-CONFIDENTIAL".

All information provided to Customs and Border Protection in-confidence will be treated accordingly. The non-confidential 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 Customs and Border Protection 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 Customs and Border Protection 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, Customs and Border Protection 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.

Exporter's declaration

At section H, 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 investigation period, 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

Customs and Border Protection will seek to verify the information provided in your submission. The purpose of the visit is to verify the information submitted in

² The term "submissions" also refers to questionnaire responses.

response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. Customs and Border Protection expects your response to the questionnaire to be complete and accurate.

Verification visits may 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 provide you with an opportunity to review the report for accuracy. We will also 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, Customs and Border Protection will have to determine who the exporter of the goods is 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, Customs and Border Protection may use other available information. This information may result in a decision less favourable to your company.

Outline of information required by this questionnaire

Section	Explanation
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.
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	Your declaration.
Section I	A 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. Customs and Border Protection 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.

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, in IBM/MS-DOS format, or another operating system whose disk format is compatible with this MS-DOS version.
- 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).
- The Excel files must be compatible to the USA version.
- 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 documentation enclosed with this application including the applicant's non-confidential submission, the booklet *Australia's Anti-Dumping and Countervailing Administration* and the Australian Customs Dumping Notice notifying the initiation of the investigation. 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. Customs and Border Protection will need to know the reasons.

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:

Name: Takeshi ESUMI

Position in the company: Staff Deputy General Manager
Export Planning & Coordination Sec.
Sales Coordination & Operation Dept.

Address: 2-3, Uchisaiwai-cho 2-chome, Chiyoda-ku,
Tokyo 100-0011, Japan

Telephone: +81-3-3597-3618

Facsimile number: +81-3-3597-3781

E-mail address of contact person: t-esumi@jfe-steel.co.jp

Factory:

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: John COSGRAVE

Director Trade Measures

Minter Ellison Lawyers

Address: Minter Ellison Building • 25 National Circuit • Forrest • ACT 2603

Telephone: +61 2 6225 3781

Facsimile/Telex number: +61 2 6225 1781

E-mail address of contact person: john.cosgrave@minterellison.com

Note that in nominating a representative, Customs and Border Protection 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.

Answer:

The legal name of our business is JFE Steel Corporation.

JFE Steel is a stock company under the Companies Act of Japan.

JFE Steel does not have any other particular business names it uses to export and/or sell goods.

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).

Answer:

JFE Steel is a wholly owned subsidiary of JFE Holdings, Inc. (i.e. JFE Holdings, Inc. owns 100% of the shares in JFE Steel.)

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

Answer:

Please see Annex A-3.3.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

Answer:

Our parent company, JFE Holdings, Inc. is not a subsidiary of another company.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

Answer:

Please see Annex A-3.5.

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

Answer:

[Allocation Details]

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Answer:

JFE Steel is a steel manufacturer and engages in producing and selling of steel products.

- 8. If your business does not perform all of the following functions in relation to the goods, then please provide names and addresses of the companies which perform each function:

- produce or manufacture;
- sell in the domestic market;
- export to Australia; and
- export to countries other than Australia.

Answer:

JFE Steel is a manufacturer of steel products. JFE Steel sells steel products through trading companies in the domestic market as well as Australia and other countries.

With regard to the names and addresses of trading companies, please see Annex A-3.8.

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

Answer:

Please see Annex A-3.9.

- 10. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

Answer:

Please see below website (JFE Group TODAY 2011) and brochure attached.

<http://www.jfe-holdings.co.jp/en/investor/library/group-today/index.html>

A-4 General accounting/administration information

- 1. Indicate your accounting period.
- 2. Indicate the address where the company's financial records are held.
- 3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:
 - chart of accounts;

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods, and
 - the company.
4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.
 5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.
 6. Describe the significant accounting policies that govern your system of accounting, in particular:
 - the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out – LIFO, first in first out- FIFO, weighted average);
 - costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);
 - valuation methods for damaged or sub-standard goods generated at the various stages of production;
 - valuation methods for scrap, by products, or joint products;
 - valuation and revaluation methods for fixed assets;
 - average useful life for each class of production equipment and depreciation method and rate used for each;
 - treatment of foreign exchange gains and losses arising from transactions;
 - treatment of foreign exchange gains/losses arising from the translation of balance sheet items;
 - inclusion of general expenses and/or interest;
 - provisions for bad or doubtful debts;
 - expenses for idle equipment and/or plant shut-downs;
 - costs of plant closure;
 - restructuring costs;
 - by-products and scrap materials resulting from your company's production process; and
 - effects of inflation on financial statement information.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change, and the reasons for it.

A-5 Income statement

Please fill in the following table. It requires information concerning all products produced and for the goods. You should explain how costs have been allocated.

	Most recent completed financial year (specify)		Investigation period	
	All products	The goods	All products	The goods
Gross sales (1)				
Sales returns, rebates and discounts (2)				
Net sales (3=1-2)				
Raw materials (4)				
Direct labour (5)				
Depreciation (6)				
Manufacturing overheads (7)				
Other operating expenses (8)				
Total cost to make (9=4+5+6+7+8)				
Operating income (10=3-9)				
Selling expenses (11)				
Administrative & general expenses (12)				
Financial expenses (13)				
SG&A expenses (14)=(11+12+13)				
Income from normal activities (15)=(10-14)				
Interest income (16)				
Interest expense (enter as negative) (17)				
Extraordinary gains and losses – enter losses as negative (18)				
Abnormal gains and losses – enter losses as negative (19)				
Profit before tax (20)=(15+16+17+18+19)				
Tax (21)				
N profit (22)=(20-21)				

Note: if your financial information does not permit you to present information in accordance with this table please present the information in a form that best reflects your financial reporting.

Prepare this information on a spreadsheet named "Income statement".

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

A-6 Sales

State your company's net turnover (after returns and all discounts), and free of duties and taxes. Use the currency in which your accounts are kept, in the following format:

	Most recent completed financial year (specify)		Investigation period	
	Volume	Value	Volume	Value
Total company turnover (all products)				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the nearest business unit, for which financial statements are prepared, which includes the goods				
Domestic market				
Exports to Australia				
Exports to Other Countries				
Turnover of the goods				
Domestic market				
Exports to Australia				
Exports to Other Countries				

Prepare this information in a spreadsheet named "Turnover".

This information will be used to verify the cost allocations to the goods in Section G.

Also, you should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at FOB point, but Customs and Border Protection may also compare prices at the ex factory level.

*You should report prices of **all goods shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

- the sale date is not the invoice date (see 'date of sale' column in question B4 below) and;
- an *alternative date should be used when comparing export and domestic prices.*

*You **must** provide information in section D 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.*

B-1 For each customer in Australia to whom you shipped goods in the investigation period list:

name;
address;
contact name and phone/fax number where known; and
trade level (for example: distributor, wholesaler, retailer, end user, original equipment).

Answer:

Please see Annex B-1.

B-2 For each customer identified in B1 please provide the following information.

- Describe how the goods are sent to each customer in Australia, including a diagram if required.

Answer:

Please see Annex B-2(1).

- Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

Answer:

Please see Annex B-2(1).

- Explain who retains ownership of the goods at each stage of the distribution chain. In the case of DDP sales, explain who retains ownership when the goods enter Australia.

Answer:

[Details of ownership change]

- Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

Answer:

JFE Steel has not any agency nor distributor agreements or other contracts.

- Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

Answer:

JFE Steel receives an inquiry from customers through trading companies and negotiates terms and conditions of sales, [Negotiation details]

[Order & Order confirmation details]

The order confirmation will identify trading companies' customer, as well as trading companies.

After the goods are ready for shipment, JFE Steel loads the goods on a vessel according to trading companies' order. Trading companies are also shipper to declare for export.

JFE Steel invoices to trading companies by computer, usually within one day of shipment. JFE Steel ships the goods to the destination named in the order (often the destination of trading companies' customer). JFE Steel does not normally see invoice from trading companies to their customer.

JFE Steel does not invoice to trading companies before shipment. The date of shipment will appear on the invoice as the "Invoice Date".

After the vessel departs, trading companies arrange shipping documents such as invoice, bill of lading, packing list, mill certificate etc. in accordance with requirements of Letter of Credit issued by trading companies' customer and negotiate with the bank to receive payment.

JFE Steel receives payment from trading companies in accordance with agreed payment terms after shipment. The payment terms between JFE Steel and trading companies is "closing on 20th of the month of shipment, payment shall be made by the end of the month".

- State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (eg free goods, rebates, or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Answer:

JFE Steel is not related to any of its Australian customers.

- Details of the forward orders of the goods (include quantities, values and scheduled shipping dates).

Answer:

Please see Annex B-2(2).

B-3 Do your export 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.

Answer:

[Pricing levels]

B-4 Prepare a spreadsheet named "Australlian sales" listing all shipments (i.e. transaction by transaction) to Australia of the goods in the investigation period. You must provide this list in electronic format. Include the following export related information:

Answer

Please see Attachment B-4

Column heading	Explanation
Customer name	Names of your customers
Level of trade	The level of trade of your customers in Australia
Model/grade/type	Commercial model/grade or type
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
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 other than the invoice date best establishes the material terms of sale, report that 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 e.g. CIF, C&F, FOB, DDP (in accordance with Incoterms)
Payment terms	Agreed payment terms e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice.
Packaging type	E.g. coil, sheet
Gross invoice value	Gross invoice value shown on invoice in the currency of sale, excluding taxes.
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.
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 exporting country	The net invoice value expressed in your domestic currency as it is entered in your accounting system
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale

Quantity discounts	The actual amount of 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.
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales this is the inland freight from factory to port in the country of export.
Handling, loading & ancillary expenses*	Handling, loading & ancillary expenses. For example, terminal handling, export inspection, wharfage & other port charges, container tax, document fees & customs brokers fees, clearance fees, bank charges, letter of credit fees, & other ancillary charges incurred in the exporting country.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services, such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data. Indicate in your response to question B2 whether the commission is a pre or post exportation expense having regard to the date of sale.
Other factors*	Any other costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See question B5.

* All of these costs are further explained in section E-1.

** FOB export price and Ocean Freight:

FOB export price: An FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling, and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales spreadsheet.

Ocean freight: as ocean freight is a significant cost it is important that the actual amount of ocean freight incurred on each exportation be reported. If estimates must be made you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period. Freight allocations must be checked for consistency.

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see "other factors" in question B-4) for each item, and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

Answer:

There are no other costs, charges or expenses incurred than the table B-4.

B-6 For each type of discount, rebate, allowance offered on export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met by the importer to obtain the discount.

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your

response to question B4. If they vary by customer or level provide an explanation.

Answer:

There are no discount, rebate and allowance on export sales.

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to question B4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

Answer:

We have not issued credit notes to the customers in Australia.

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

Answer:

[Delivery term details]

B-9 Select two shipments, in different quarters of the investigation period, and provide a complete set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation, and contract of sale;
- any technical material in respect of the goods;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit, and bank documentation, proving payment.

Customs and Border Protection will select additional shipments for payment verification at the time of the visit.

Answer:

Please see Annex B-9(1) and B-9(2).

SECTION C - EXPORTED GOODS & LIKE GOODS

C-1 Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Answer:

Please see Annex C-1.

C-2 List each type of goods exported to Australia (these types should cover all types listed in spreadsheet "Australian sales" – see section B of this questionnaire).

Answer:

Please see Annex C-2.

C-3 If you sell like goods on the domestic market, for each type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically;

and provide a detailed explanation of the differences where those goods sold domestically (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate "YES". Otherwise "NO"	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Prepare this information on a spreadsheet named "Like goods".

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

SECTION D - DOMESTIC SALES

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 Customs and Border Protection requirements. If agreement cannot be reached as to the appropriate method Customs and Border Protection may not visit your company.*

Customs and Border Protection 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 Customs and Border Protection requires for determining a normal value using alternative methods.

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
- 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 Prepare a spreadsheet named "**Domestic sales**" listing all sales of like goods made during the investigation period. The listing must be provided on a CD-ROM. Include all of the following information.

Column heading	Explanation
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems show a customer code number and in a separate table list each code and name.
Level of trade	The level of trade of your domestic customer
Model/grade/type	Commercial model/grade or type of the goods
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission.
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 other than the invoice date best establishes the material terms of sale and should be used, report that date.
Order number	Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale.
Delivery terms	E.g. ex factory, free on truck, delivered into store
Payment terms	Payment terms agreed with the customer e.g. 60 days=60 etc
Quantity	Quantity in units shown on the invoice e.g. litres or kilos.
Packaging type	E.g. coil, sheet
Gross invoice value	Gross value shown on invoice in the currency of sale, net of taxes.
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column.
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description.
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale
Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount.
Packing*	packing expenses
Inland transportation costs*	Amount of inland transportation costs included in the selling price.
Handling, loading and ancillary expenses*	Handling, loading & ancillary expenses.
Warranty & guarantee expenses*	Warranty & guarantee expenses
Technical assistance & other services*	Expenses for after sale services such as technical assistance or installation costs.
Commissions*	Commissions paid. If more than one type is paid insert additional columns of data.
Other factors*	Any other costs, charges or expenses (including VAT) incurred in relation to the domestic sales (include additional columns as required). See question D5.

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 offered on 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.

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.)

Customs and Border Protection will select additional sales for verification at the time of our visit.

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. Customs and Border Protection 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 Customs and Border Protection 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. Customs and Border Protection will not consider new claims made after the verification visit.

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, Customs and Border Protection 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

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.

PL
239

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. Rebates

For any rebates 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 "**Rebates or any other allowances**". Identify the general ledger account where the expense is located

7. 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.

8. 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.

9. 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 investigation period (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**")

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;
- 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:

- 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, Customs and Border Protection 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.

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 system³, 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).

³ 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.

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.

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.