NON-CONFIDENTIAL

# EXPORTER QUESTIONNAIRE RESPONSE

of

# PT PINDO DELI PULP AND PAPER MILLS

in relation to

# A4 COPY PAPER

from

# INDONESIA

26 May 2016

# 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: | **Mr Arvind Gutpa**, |
| Position: | **Director Commercial** |
| Address: | **Sinarmas Pulp and Paper Products**<br>**Sinar Mas Land Plaza Tower II, 15th floor**<br>**Jl. M.H Thamrin No. 51**<br>**Gondangdia- Menteng**<br>**Jakarta Pusat- DKI Jakarta** |
| Telephone: | **+62 21 2965 0800** |
| Facsimile: | **+62 21 3162607** |
| E-mail: | **arvind.gutpa@app.co.id** |

*Factory:*

| | |
|---|---|
| Address: | **Desa Kutamekar BTB 6-9**<br>**Kecamatan Ciampel, Kabupaten Karawang**<br>**Propinsi Jawa Barat**<br>**Indonesia** |

## 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: | **Roger D Simpson & Associates Pty Ltd** |
| Address: | **Level 1, 2 Mercantile Dock**<br>**Port Adelaide SA 5015**<br>**Australia** |
| Telephone: | **+61 8 8447 3699** |
| Facsimile: | **+61 8 8447 2661** |
| E-mail: | **roger@panpac.biz** |

## 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.

**PT Pindo Deli Pulp and Paper Mills is a private company.**

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).

   **Refer to attachment A-3.2.**

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

   **Refer to attachment A-3.2.**

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

   **Refer to attachment A-3.2.**

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

   **Refer to attachment A.3-2.**

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

   **No.**

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

   **Paper manufacturer.**

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
   - sell in the domestic market
   - export to Australia, and
   - export to countries other than Australia.

   **N/A.**

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

   **Refer to attachment A-3.9.**

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

**Pindo Deli has no Annual Report.**

## A-4 General accounting/administration information

1. Indicate your accounting period.

**January – December.**

2. Indicate the address where the company's financial records are held.

**Head Office as per A-1.**

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);
- 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 under consideration.

  These documents should relate to:

  - the division or section/s of your business responsible for the production and sale of the goods under consideration, and
  - the company.

**Refer to attachment A-4.3.**

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.

**N/A.**

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

**No.**

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 (eg last in first out –LIFO, first in first out- FIFO, weighted average);

  **Refer to notes to consolidated financial statements of Pindo Deli, Notes 2h.**

- costing methods, including the method (eg by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

  **[Confidential]**

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

  **[Confidential]**

- valuation methods for scrap, by products, or joint products;

  **[Confidential]**

- valuation and revaluation methods for fixed assets;

  **Refer to notes to consolidated financial statements of Pindo Deli notes 2j.**

- average useful life for each class of production equipment and depreciation method and rate used for each;

  **Refer to notes to consolidated financial statements of Pindo Deli notes 2j.**

- treatment of foreign exchange gains and losses arising from transactions;

  **Refer to notes to consolidated financial statements of Pindo Deli notes 2o.**

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

  **Refer to notes to consolidated financial statements of Pindo Deli notes 2o.**

- inclusion of general expenses and/or interest;

  **As per Profit and Loss statement.**

- provisions for bad or doubtful debts;

  **Refer to notes to financial statements of Pindo Deli notes 2d.**

- expenses for idle equipment and/or plant shut-downs;

  **Not applicable.**

- costs of plant closure;

  **Not applicable.**

- restructuring costs;

  **Refer to notes to financial statements of Pindo Deli notes 2m.**

- by-products and scrap materials resulting from your company's production process; and

  **[Confidential]**

- effects of inflation on financial statement information.

  **Refer to notes to consolidated financial statements of Pindo Deli notes 2a.**

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.

   **Not applicable.**

## A-5 Income statement

Complete the spreadsheet '**Income statement**' in the ***Exporter Questionnaire spreadsheets – copy paper*** workbook.
*Note: if your financial information does not permit you to present information in accordance with this spreadsheet please present the information in a form that closely matches the table.*

You will note that the spreadsheet requires information concerning all products produced and for the goods under consideration (*'goods under consideration'* (the goods) is defined in the Glossary of Terms in the appendix to this form). You should explain how costs have been allocated.

*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.*

**Refer to attachment A-5.**

## A-6 Sales

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

*Note: if your financial information does not permit you to present information in accordance with this spreadsheet please present the information in a form that closely matches the table.*

This requires you to 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.

*This information will be used to verify the cost allocations to the goods under consideration 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.*

**Refer to attachment A-6.**

# 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 the Commission may also compare prices at the ex-factory level, or another level if considered appropriate.*

*You should report prices of **all** goods under consideration (the 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 manufacturer).

**Refer attachment B-1.**

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

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

**The goods are all shipped direct to Australia.**

(b) 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.

**The majority of exports to Australia are sold to the [Confidential] listed in B-1 above.**

**[Confidential]**

**No commissions are paid to the parties involved in exports to Australia.**

**[Confidential] has a fixed sales margin of [Confidential]%.**

(c) 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.

**Ownership is retained by Pindo Deli until the goods reach the Australian destination port as all sales are CNF or CIF Australia. It then passes to [Confidential].**

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

**Not applicable.**

(e) 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.

**Price: [Confidential]**

**Order: [Confidential]**

**Delivery: [Confidential]**

**Invoices: [Confidential]**

**Payment: [Confidential]**

(f) 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).

**[Confidential] is related to Pindo Deli.**

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

**Refer to attachment B-2(g).**

**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.

**No, prices are as negotiated with [Kensington].**

## B-4 Australian sales data

Complete the '**Australian 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 Australian sales spreadsheet.

**Refer to attachment B-4 which includes export sales [Confidential].**

**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.

**Not applicable.**

**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.

**Pindo Deli gives no discounts but [Confidential] gives a discount for early payment by its Australian customer.**

**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.

**Not applicable.**

**B-8** If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (eg. 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) |

**Not applicable.**

**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;
- 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.

The Commission will select additional shipments for payment verification at the time of the visit.

**Refer to attachment B-9 for documents relating to sales to Australia [Confidential].**

# 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.

**The goods exported to Australia during the IP are as follows:**

**[Confidential]**

**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).

**Refer to attachment B-4.**

**C-3** If you sell like goods on the domestic market, for each type of the goods 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 the domestic goods (ie. the like goods – see explanation in glossary) are not identical to goods exported to Australia.

**Refer to attachment C-3.**

**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.

**Refer to attachment C-4.**

# SECTION D - DOMESTIC SALES

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

**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.

**The vast majority of domestic sales are to related distributor PT Cakrawala Mega Indah (CMI) who on-sells to unrelated domestic customers.**

**The sales functions are performed by CMI.**

**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.

**No.**

**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.

**[Confidential]**

## 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.

**Refer to attachment D-4 which includes domestic sales spreadsheets of sales from Pindo Deli to CMI and CMI sales to its customers.**

**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.

**Not applicable.**

**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.

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.

**Pindo Deli offer no discounts, rebates or commissions on its domestic sales to CMI.**

**CMI has the following discounts and rebates on its domestic sales:**

**On invoice:**

- **[Confidential]**

**Off Invoice:**

- **[Confidential]**
- **[Confidential]**

**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.

**Refer to attachment D-7 for documents relating to sales by CMI to independent customers.**

**(Please note that payment evidence is not included. This is because CMI's customers make progressive payments for purchases, many documents are involved, and it will be best evidenced during the on-site verification).**

# 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).*

## 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.

**Actual costs per shipment.**

### 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.

**Included in Inland transportation costs.**

### 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.

**The cost of credit is the average short-term borrowing interest rate for the IP applied to the credit term, ie [Confidential]% p.a.**

**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'**.

**There are no adjustments for packing costs as the packing cost is the same for export and domestic sales of A4 copy paper.**

**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.

**Not applicable.**

**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.

**Not applicable.**

**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.
**Not applicable.**

**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.

**Not applicable.**

## 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.

**There are identical products exported to Australia and sold in the domestic market.**

**2. Import charges and indirect taxes**

**Not applicable.**

**3. Level of trade**

**Not applicable.**

**4. Credit**

**As per E-1.3.**

**The average short-term borrowing interest rate for CMI during the IP (IDR) is [Confidential]%.**

**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.

**The amount of Inland transportation cost is calculated from [Confidential].**

**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.

**Not applicable.**

**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"**.

**As per E-1.4.**

**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.

**Not applicable.**

**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.

**Not applicable.**

**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*.

**Not applicable.**

## E-3 Duplication

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

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.

**Not applicable.**

# 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.*

## 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.

**Refer to attachment F-1.**

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

**Product types, market conditions, volumes, credit terms, etc.**

# SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

*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.*

## 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.

   **Refer to attachment G-1.**

## G-2. Production capacity data

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

**Refer to attachment G-2.**

## 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.

   **We have only one accounting information system. So, the cost accounting and financial accounting statement is the same.**

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.

   **[Confidential]**

3 Provide details of any significant or unusual cost variances that occurred during the investigation period.

**There is no unusual cost variance during the investigation period.**

4 Describe the profit/cost centres in your company's cost accounting system.

**[Confidential]**

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.

**[Confidential]**

6 Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

**[Confidential]**

7 List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

**There is no valuation difference in cost accounting and financial accounting system.**

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.

**Company did not have any start-up operation in relation to the goods under consideration.**

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 it its accounting records.

**Company did not have any start-up operation in relation to the goods under consideration.**

## 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.*[1]

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

**Refer to attachment G-4 which includes the CTMS table (monthly costs) and worksheets.**

**The source of the information included in attachment G-4 is –**

- **cost to make: 2015 monthly manufacturing cost reports; and**
- **SG&A and finance expenses: 2015 annual GL.**

**The currency is USD.**

**The costs in attachment G-4 are calculated from our general accounting system.**

**It is of note that CMI's 2015 SG&A and finance expenses to be taken into account in calculating the profitability of its domestic sales is [Confidential]% of its net sales revenue.**

## 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.

**Refer to attachment G-5 which includes the CTMS table (monthly costs) and worksheets.**

**The source of the information included in attachment G-5 is –**

- **cost to make: 2015 monthly manufacturing cost reports; and**
- **SG&A and finance expenses: 2015 annual GL.**

**The currency is USD.**

[1] *The Commission applies the tests set out in s.269TAAD 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.*

**The costs in attachment G-5 are calculated from our general accounting system.**

## 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:

- 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.**

**The major raw material is pulp.**

**Purchase details are recorded in the attached Raw Material Purchase Prices spreadsheet.**

**All purchases are at market price.**

# SECTION H – PARTICULAR MARKET SITUATION

*The applicants claim that a 'market situation' exists in respect of copy paper from the Indonesia due to government influence on the prices of 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 Indonesia 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 Indonesia 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 Indonesia's involvement in the business of your company.

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

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

## PART H-1 GENERAL INFORMATION

The information requested in this part will provide an overview of your corporate organisation and the Government of Indonesia'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 Indonesia's interaction with your businesses.

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

a) reporting requirements;

**There are some reports that need to be submitted to the Government of Indonesia periodically, further information can be seen at Section H-1.4.d.**

b) payment of taxes;

**No export taxes to be paid to Government of Indonesia on the exports of copy paper.**

c) senior management representation within your business;

**No senior management who is affiliated with Government of Indonesia.**

d) approval/negotiation of business decisions (e.g. investment decisions, management decisions, pricing decisions, production decisions, sales decisions);

**No involvement from Government of Indonesia on business decisions.**

e) licensing;

**Our license is issued by Government of Indonesia, further information can be seen at Section H-1.2.**

f) restrictions on land use;

**None of our land has been restricted to be used by Government of Indonesia.**

g) provision of loans; or

**No involvement from Government of Indonesia on determining provision of loans.**

h) provision of grants, awards or other funds.

**None.**

## 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).

**Not applicable.**

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.

**See attachment H-1.2.b.**

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 Indonesia (at any level, from any agency, or otherwise associated entity)?

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

**None.**

d) 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 Indonesia? If so, identify any relevant government department(s) they are affiliated with.

**None.**

e) 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 Indonesia;
- employees of your business;
- foreign investors; or
- other (please specify).

**[Confidential]**

f) Provide the details of any significant changes in the ownership structure of your business during the investigation period.

**None.**

g) Identify any positions within your business that are appointments or designated to act on behalf of Government of Indonesia authorities.

**None.**

h) 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.

**None.**

i) 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.

Identify any stock exchanges on which your business is listed.

**Not applicable.**

j) Provide the monthly trading volume and average monthly trading price of your listed security between 1 January 2015 and 31 December 2015.

**Not applicable.**

k) Who has the ability to reward, fire or discipline your business' senior managers?

**Board of Directors.**

l) Do any of your company's senior managers hold positions in any Government of Indonesia departments or organisations, associations or Chambers of Commerce? If so describe the nature of these positions.

**Yes, one of Director holds position in the Indonesian Chamber of Commerce.**

m) Provide the names and positions of your company's pricing committee.

**There is no pricing committee, the prices are determined by sales and marketing personnel.**

## 3. Licensing

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

**Refer to attachment H-1.3.a.**

b) Identify the Government of Indonesia departments or offices responsible for issuing the license(s).

**Investment Coordinating Board.**

c) Describe the procedures involved in applying for the license(s).

**The license owned by our company are Industrial License and Expansion License. The mandatory license is the Industrial License. The Expansion License is an optional license that obtained if a company wants to expand its business (increasing the amount of production). To obtain Industrial License, the company needs to complete some documents stipulated in the related regulation, build a factory and production facilities. Such documents will be submitted to Investment Coordinating Board in accordance with Industrial Minister Regulation No 147/M-IND/PER/10/2009, where Investment Coordinating Board (BKPM) is the authorized entity delegated by government to issue Industrial License and Expansion License. After all documents are completed, the related governmental officer will do the necessary inspection. The Industrial License will be issued or postponed, depends on the result of such inspection. All of the process will take time about 20-30 days according to the regulation. (Article 17, 18, 19 Industrial Minister Regulation No. 41/M-IND/PER/6/2008 year 2008).**

d) Describe any requirements or conditions that must be met in order to obtain the license(s).

**Same answer with point C above.**

e) Describe and explain any restrictions imposed on your business by the business license(s).

**A Company should not:**

- **Expand its business without Expansion License.**
- **Ignore the registration in the List of Company as stipulated in Article 6 Industrial Minister Regulation No. 41/M-IND/PER/6/2008.**
- **Expand the production targeted for export as stipulated in Article 15 Industrial Minister Regulation No. 41/M-IND/PER/6/2008, but distribute such production within Indonesia.**
- **Conduct different industrial business other than stipulated in its Industrial License or Certificate of Industry Registration.**
- **Not delivering Industrial Information as stipulated in Article 37 Industrial Minister Regulation No. 41/M-IND/PER/6/2008 or intentionally submit false information.**
- **Changing the location of industry without written consent from Official stipulated in Article 33 paragraph (1) Industrial Minister Regulation No. 41/M-IND/PER/6/2008.**
- **IPR violations , example: Copyright, Patent, Trademark or Industrial Design.**

f) Describe any sanctions imposed on your business if you act outside the scope of your business license(s).
**A company will be given a written warning maximum 3 times consecutively within 1 month , if one of the provisions mentioned in point 3 are violated. Then, Industrial License and Expansion License could be suspended if such company is not able to remedy as stipuldated under Article 46, 47 Industrial Minister Regulation No. 41/M-IND/PER/6/2008.**

g) Describe and explain any rights or benefits conferred to your business under the license(s).

**There are some facilities given by Indonesian government after a company obtained an Industrial License such as, the facilities to do the research and technology development for industry and the facilities to transfer of technology for small or medium sized industries.**

h) Describe the circumstances under which your business license(s) can be revoked, and who has the authority to revoke the license(s).

**According to Article 48 Industrial Minister Regulation No. 41/M-IND/PER/6/2008, Industrial License could be revoked by the entity that issued such license ie BKPM, if:**

- **Industry License/Expansion License/Certificate of Industry Registration issued based on incorrect or falsified information from related company.**
- **The company is not able to remedy according to applicable regulations after exceeding the suspension period referred in Article 47 paragraph (3) letter a Industrial Minister Regulation No. 41/M-IND/PER/6/2008.**
- **The company does not operate within 1 (one) year after the issuance of Industry License/Expansion License/Certificate of Industry Registration.**

## 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;

**Production Department, Production Planning and Inventory Control Department, Uncoated Business Unit.**

(ii) how the goods are produced;

**Production Department.**

(iii) how levels of inputs such as raw materials, labour and energy are set and secured;
**Production Department.**

(iv) how the use of your outputs, such as how your product mix is determined; and

**Production Planning and Inventory Control Department, Uncoated Business Unit.**

(v) how your business' profit is distributed, etc., is determined.

**Uncoated Business Unit, Finance and Accounting Departments.**

b) Provide a description of any Government of Indonesia input into the decision-making process respecting your manufacture, marketing and sale of copy paper.

**All Indonesian companies are subject to government regulation concerning manufacturing, marketing, and sales.**

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.

i. **Ministry of Industry,**
ii. **Ministry of Trade**
iii. **Ministry of Environment and Forestry**
iv. **Indonesia Investment Coordinating Board (in case of Foreign Investment)**
v. **Ministry of Manpower and Transmigration**
vi. **Ministry of Agricultural and Spatial / National Land Agency**
vii. **Ministry of Finance**

d) List and describe all reports that must be submitted to the Government of Indonesia periodically by your company, and identify the government department/office where each report is filed.

i. **PROPER - The Corporate Performance Rating Program (Program Penilaian Peringkat Kinerja Perusahaan - PROPER), is conducted by the Ministry of Environment and Forestry to stimulate companies' compliance in environmental management:**
   - **encourage companies to comply with legislation through incentive and disincentive reputation, and**

- **to encourage companies to implement cleaner production**

ii. **Health and Safety (HSE) Report – submitted to the Ministry of Manpower and Transmigration, to monitor the implementation of health and safety system in companies.**

iii. **Environmental Monitoring Report – submitted to the Ministry of Environment and Forestry, to assess the environmental impact.**

iv. **SVLK (Sistem Verifikasi Legalitas Kayu) -Timber Legality Verification System is submitted to the Ministry of Environment and Forestry. SVLK is a mandatory system by the Government, to ensure that wood products and raw materials obtained or derived, are from sources whose origin and management meet the legal aspects.**

v. **Report of Manpower – submitted to the Ministry of Manpower and Transmigration, to monitor employment relationship, manpower protection and employment opportunity.**

vi. **RPBBI (Rencana Pemenuhan Bahan Baku Industri) – Industrial Raw Material Supply Plan, is submitted to the Ministry of Environment and Forestry.**

e) Provide copies of the minutes of your Board of Directors and Board of Shareholders meetings over the investigation period.

**Refer to attachment H-1.4.e.**

f) Provide copies of the notes to company meetings where pricing decisions on copy paper have been made over the investigation period.

**The pricing decision are made by sales and marketing personnel having regard to market price and cost.**

**5. Financial and investment activities**

a) How is your business debt funded? Provide a list of all major lenders.

**From banks and leasing companies, major lenders are:**

- **[Confidential]**
- **[Confidential]**
- **[Confidential]**
- **[Confidential]**

b) What is the rate of interest paid by your business on all debt instruments over the last 5 years?

| | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|
| USD | [Confidential] | [Confidential] | [Confidential | [Confidential | [Confidential] |
| IDR | [Confidential] | [Confidential] | [Confidential] | [Confidential | [Confidential] |

c) Has your business benefited from any concessional interest rates for your loans/debts in the last 5 years? If so, provide details.

**No**

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
   explain the reasons for raising the capital.

**No**

e) Does your business have policies on how cash reserves are to be invested? If so, provide details.

**No**

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).

**No**

## PART H-2 GOVERNMENT OF INDONESIA MEASURES IN THE PULP AND PAPER SECTOR

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

**1.** Are there any Government of Indonesia opinions, directives, decrees, promulgations, measures, etc. concerning the pulp and paper industry/sector that were put in place or operating during the investigation period?

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

**None.**

**2.** Provide information concerning the name of any Government of Indonesia departments, bureaus or agencies responsible for the administration of all government 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;
- investigation and inspection of new copy paper expansion facilities;
- import licensing for raw materials relating to copy paper manufacture.

i. **Industrial policy and guidance on the copy paper sector – all policy related to pulp and paper industry (not only for copy paper) are regulated by the Ministry of Industry, in particular the Directorate General of Agro Industry.**

ii. **Market entry criteria for the copy paper industry sector – the Ministry of Trade**

iii. **The Ministry of Environment and Forestry, is the ministry responsible for environmental enforcement for all industries in Indonesia, including paper industry. The Ministry provides relevant policies nationally, however there are regional offices in the provinces and districts whose oversee the actual enforcement of the regulations;**

iv. **Management of land utilization is governed by the Ministry of Agricultural and Spatial / National Land Agency;**

v. **The investigation and inspection of new copy paper expansion facilities is the responsibility of the Ministry of Industry (for domestic/ national investment);**

vi. **Import licensing for raw materials relating to copy paper manufacturer is under the jurisdiction of the Ministry of Industry.**

**3.** Has the Government of Indonesia designated your company and/or industry (i.e. forestry and pulp & paper) as “strategic,” “encouraged,” “priority,” or any other designation? If so, please answer the following questions.

**The Ministry of Industry, in its National Industry Development Master Plan 2015-2035, has designated pulp and paper industry as one of the ‘priority industry’, in particular for upstream agribusiness industry. (The list of priority industry group is attached in attachment H-2. 3).**

**As defined in the National Industry Development Master Plan 2015-2035 of the Ministry of Industry, the purpose of the designation are:**

i. **To increase economic independence and reduce economic dependence from other countries;**

ii. **To strengthen national security, unity, and strategic connectivity of Indonesia region**

iii. **To spread the economic activity and industrial development throughout Indonesia**

iv. **To enhance labour absorption and improve the welfare of workers through the creation of productive employment; and**

**The selection criteria are:**

i. **quantitative criteria consist of:**

- **meet domestic demand and import substitution, or have the potential rapidly growing market in the country;**
- **improve the quantity and quality of employment, or potentially and / or capable of creating productive employment;**
- **have international competitiveness, or have the potential to grow and compete in the global market;**
- **providing value added growth progressively in the country, or have the potential to grow rapidly in self-reliance;**
- **Strengthen, deepen and nourish the industrial structure; and has a comparative advantage, mastery of raw materials, and technology.**

ii. **qualitative criteria consist of:**

- **Connectivity strengthen the national economy;**
- **Sustain food security, health and energy; and**
- **Encourage the spread and equity of industry.**

**There is no benefit and obligation that arise from this designation.**

**a)** Is there any connection between these designations and other industrial and/or economic policies or administrative measures?

**No.**

**b)** Please describe any instances in which your company cited Government of Indonesia plans, policies, or measures as support for receiving the financing that you report.

**None.**

## PART H-3 THE COPY PAPER SECTOR

The information requested in this part will assist in providing a better understanding of the Government of Indonesia 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.

## 1. Taxation

a) Were there any export taxes on the exports of copy paper during the investigation period?

**No.**

b) What was the VAT rebate applicable to copy paper exports during the investigation period?

**None.**

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 Indonesia notices regarding these changes, including the relevant appendices.

**No.**

d) Are you aware of any tax changes being planned that would impact the copy paper sector?

**No.**

## 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.

**Sales Manager/RSH.**

b) Explain how the selling prices of copy paper by your business are determined, including any Government of Indonesia involvement in your business' pricing decisions, and indicate if the goods are subject to Government of Indonesia direct or indirect pricing or government guidance pricing.

**Our selling price is determined by market conditions and costs.**

c) Does your business coordinate the selling prices or supply of copy paper with other domestic producers or any Government of Indonesia departments? If so, provide details.

**No**

d) Explain whether your business provides information or data to the Government of Indonesia, other government officials or commercial/industry organisations, including those outside of Indonesia, which report on the pulp and paper sector.

**No information or data is provided to these parties.**

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.

**No copy paper price data is provided to these parties.**

## 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 Indonesia with the associations.

**Indonesian Pulp & Paper Association (APKI – Asosiasi Pengusaha Kertas Indonesia). The Association was established and operated independently without any involvement from the Government of Indonesia.**

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 Indonesia concerning the pulp and paper industry.

**The membership of the Association is based on voluntary principles.**

**The Indonesian Pulp & Paper Association (APKI – Asosiasi Pengusaha Kertas Indonesia) has several purposes, as follows:**

i. **Identify and formulate solutions of any problems faced by members, both submitted by members and other sources, provide advocation as required, to the interests of the members.**
ii. **Provide input/suggestion to the government or other authorized institution in terms of providing advice and counsel.**
iii. **To collect and circulate data and information, laws and regulations relevant to pulp and paper industry to members.**
iv. **Provide assistance to enhance business performance of members**
v. **Actively participate in the process of drafting policies and laws and regulations.**

vi. **Conduct various cooperation and partnership for educational activities, research and development, that relevant to 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 Indonesia with the association.
**No.**

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 Indonesia concerning the pulp and paper industry.

**Not applicable.**

## 5. Statistics submission/recording

a) Indicate if your business makes submissions[2] to the Central Bureau of Statistics and/or any other government organisation. If yes, explain the purpose of these submissions and the type of information submitted.

**The company did not make any submission to the Central Bureau of Statistic.**

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

**Not Applicable.**

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

**No.**

d) Do the organisations provide feedback on your submission? If yes, provide a detailed explanation.

**No.**

## 6. Manufacturing inputs

a) Is there a price difference in purchase price for raw materials between your suppliers?

[2]For example, monthly data relating to sales, production and costs.

**Yes, there are price differences, please refer to the attachment Raw Material Purchase Prices.**

b) If your supplier is based outside Indonesia, what import duty rate is applied on the raw materials?

**The import duties of raw materials are various from 0% to 15% based on the origin of the imported raw materials.**

c) 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?

**No.**

## 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.

**There are no laws or regulations which respect to pricing.**

## 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.

**No part of our production of copy paper is subject to any national/ regional industry policy or guidance.**

b) To what extent are any of the policies/guidelines identified in a) applicable to your business?

**Not Applicable.**

c) Where applicable, how did your business respond to the policies/guidelines?

**Not Applicable.**

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 Indonesia.

**There are no restrictions.**

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.

**Refer to attachment H-3.8(e).**

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.

**There are only internal control which in relation to quality.**

g) Does your business require an export licence? If so, provide details.

**Yes, there is an environmental certification called SVLK (Timber legality verification system) which is required for export of photocopy paper.**

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.

**Only SVLK certification as above.**

i) Provide details regarding any other restrictions (e.g., geographic/regional, downstream, end use) placed upon your business on the sale of the goods.

**There are no other restriction.**

j) Have there been any changes to your production capacity of the goods over the last 5 years? If so, provide details.

**There is no change in capacity for photocopy.**

**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 Indonesia during the investigation period.

**No, our price isn't guided or controlled by any external parties.**

b) Explain whether your business has been subjected to any direct or indirect price guidance or controls by the Government of Indonesia during the investigation period, with respect to raw material inputs.

**No, not subjected to any guidance or control by the Government of Indonesia.**

c) Explain whether your business has encountered any price guidance or controls established by regional or special economic zone officials and/or organisations.

**No, our price isn't guided or controlled by any external parties**

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.

**Same as 2.b, no restriction, limitation, or other consideration are imposed.**

e) Which organisation/business entity do you consider as the price leader of the goods?

**Domestically Sinarmas Group will be the price leader, and in Australia, it would be Australian Paper.**

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.

**No, we don't have pricing 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.

**N/A.**

h) Identify the person who authorises the sales terms, prices and other contract provisions for the sale of the goods by your business.

**Sales Manager/Regional Sales Head.**

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.

**Yes, the law and regulations are the same.**

**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.

**Please refer to Section H-1.3.c.**

a) 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.

**No.**

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 you raw material purchases (e.g. logs, pulp, or chemicals) by completing the **Raw Material Purchases tab** of the attached spreadsheet).

**Refer to Raw Material Purchase.**

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?
**Yes, reasons are difference in commercial terms e.g. quality, availability, shipment time, etc.**

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.

**Please refer to attachment H-3.11(c).**

**Tender criteria are :**
- **Fair comparison**
- **Passed product lab test and vendor verification**
- **Reliable and trustworthy**
- **Enough supply capability**

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.

**Refer to Raw Material Purchase.**

ii. Explain the process required to import the raw materials (e.g. obtaining an import licence, import declarations).

**In order import raw material, the following documents are required:**

1. **Notification of imports (PIB)**
2. **Invoice**
3. **Packing List**
4. **Bill of Lading**
5. **Insurance**
6. **Import License**

iii. Provide details of any conditions to importing the raw materials (e.g. customs and/or quarantine).

**If raw material contains hazardous material requiring quarantine, some additional documents will be required ie:**

1. **Plant Quarantine License**
2. **License for food and drug (BPOM)**
3. **License for poisonous and dangerous substance from Ministry of Environment (KLH-B3)**
4. **License for import of forestry product (IP Kehutanan)**

iv. Are you eligible for a duty drawback? If so, provide details.

**For import, the company should pay taxes article 22 and value added taxes, and the company did not get any duty drawback from this tax.**

# SECTION I - COUNTERVAILING (SUBSIDISATION)

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

**INVESTIGATED PROGRAMS**

The following are programs that the Commission is currently investigating:

| Program Number | Program Name | Program Type |
|---|---|---|
| 1 | Provision of Standing Timber for Less Than Adequate Remuneration | Provision of inputs for less than adequate remuneration |
| 2 | Government of Indonesia's Log Export Ban | Provision of inputs for less than adequate remuneration |
| 3 | Debt Forgiveness – Buyback of debt from the Government of Indonesia | Financial benefit |

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

**PART I-1 PROVISION OF INPUTS FOR LESS THAN ADEQUATE REMUNERATION:**

**Program 1: Provision of Standing Timber for Less Than Adequate Remuneration**

It has been alleged that that raw materials, in the form of standing timber, is supplied to producers at a price that is below what would otherwise be in a competitive market. If your company, or a company that is related with your company, harvests standing timber from public land to use as the fibre source for the production of subject merchandise, please answer the below questions.

1. Please provide a description of each type of concession arrangement for public timber harvested during the period of investigation by your company(ies) or cross-owned company(ies). Include in your answer whether the arrangement is long-term (greater than ten years) or short-term.

   **During the POI, [Confidential] obtained HTI Licenses, while [Confidential] held an HTI-Trans License. All Licenses are long-term arrangements (more than ten years).**

2. Provide copies of the applications, standard contracts, permit or other documents for each type of concession arrangement which specify the terms and conditions of the arrangements.

   **To be able to harvest pulp wood logs from the State Forest, a harvester must obtain a license. There is no standard application form for acquire the license; however there are processes that a potential harvester must follow to meet with the needed requirements. There are two type of requirement, i.e. the administrative requirements (related to the application process) and the technical requirements (related to the administration of the proposed forestry lands).**

   **The HTI Licenses of the cross-owned forestry industry are provided at attachment I-1.2.**

3. Please provide a description of each type of arrangement for private timber harvested during the period of investigation by your company (ies) or cross-owned company (ies). Include in your answer whether the arrangement to harvest private timber is long-term (greater than ten years) or short-term.
   Indicate whether the private timber that is harvested is owned by your company (ies) or cross-owned company (ies) or is owned by an unaffiliated party. For harvest of timber owned by your company (ies) or cross-owned company (ies), please provide documentation and conditions of ownership. For arrangements involving the harvest of unaffiliated private party timber, provide copies of relevant contracts and other documents for each type of arrangement which specify the terms and conditions of the arrangements.

   **During the POI, [Confidential] purchased logs from private individuals.**

   **The average logs price purchased from private individuals were Rp [Confidential] (average purchased price/ton).**

   **Details are at attachment I-1.3.**

4. For each concession arrangement for public timber held by your company or a cross-owned company, and each arrangement to harvest private timber, please provide the following information for the POI:

A. For each species, the stumpage fee and the total quantity harvested and the value of fees and charges paid to the administering authority or owner. Provide the value in Indonesian rupiah per cubic meter.

**During the POI, companies paid for the fee of *Provisi Sumber Daya Hutan* ("PSDH"), which is the royalty for stumpage, to the GOI. The PSDH tariff is determined by the GOI, through the Minister of Forestry Regulation No. P.68/Menhut-II/2014, on 'the Pricing Benchmark to Determine PSDH Fee of Forest Products, the Compensation Cost for Stumpage and the Stumpage Exchange Value'. The Regulation is attached at attachment I-1.4A.**

**The regulation described, that PSDH basic rate for harvesting plantation pulp wood, based on the tariff rate of [Confidential]%, and pricing benchmark at Rp[Confidential]/$m^3$, thus a company should pay Rp[Confidential]/$m^3$.**

**STUMPAGE QUANTITIES AND FEES**

| Company | Wood Type | Qty (M3) | Rp | Rp/M3 |
|---|---|---|---|---|
| [Confidential] | [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| Total | | [Confidential] | [Confidential] | [Confidential] |

B. For each species harvested under the concession arrangements, or private arrangements, please provide a breakdown of the volume and the value of fees and charges paid to the administering authority or owner for logs that went to:

i. pulp and paper mills; and

ii. other uses

iii. Provide the value in Indonesian rupiah per cubic meter.

**All plantation pulp woods purchased by all pulp and paper mills were used for pulp production. None of the woods were used for other purposes.**

**Based on the above Regulation (attachment I-1.4a), the PSDH fee that all pulp and paper mills paid during the POI are as below:**

**PSDH FEE**

| Plantation Pulp Woods | Basic price (IDR/cubic meter or ton) | Tariff Rate | Rate (IDR/cubic meter or ton) |
|---|---|---|---|
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |

**The PSDH value as follows:**

**STUMPAGE VALUES**

| Company | Qty (M3) | Rp | Rp/M3 |
|---|---|---|---|
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| [Confidential] | [Confidential] | [Confidential] | [Confidential] |
| Total | [Confidential] | [Confidential] | [Confidential] |

5. For each concession arrangement held by your company or a cross-owned company, please describe any contingent obligations that the concession-holder must fulfil in order to keep the right to harvest stumpage (e.g., silviculture).

**The following additional costs and obligations as a condition of initially obtaining and subsequently maintaining an HTI License:**

- **Annual license fee payments;**
- **Vehicle tax payments;**
- **Planting obligations;**
- **Seedling care;**
- **Preparation and submission of an annual working plan;**
- **Border and block preparation;**
- **Village improvement/development activities;**

- **Environmental care;**
- **Elephant care;**
- **ISO implementation; and**
- **Property tax payments.**

**These obligations are specified in the text of the HTI License. Part and parcel of these obligations are additional expenses that are inextricably linked to the upholding of the above obligations. APP/SMG forestry companies incur mandatory expenses in the following areas:**

- **Forest Management Planning,**
- **Inventory expenses,**
- **Mapping,**
- **Forest surveys,**
- **Landscape and watershed maintenance,**
- **Wildlife habitat preservation,**
- **Provisions for special trees with non-timber value;**
- **Seed and seedling procurement;**
- **Forest R&D (associated with planting);**
- **Maintenance;**
- **Fire & forest protection;**
- **Infrastructure development.**
- **The issuance of mandatory certifications**

6. For each concession arrangement, document and calculate any additional costs that the contingent obligations entail in terms of rupiah per cubic meter of logs harvested.

**The Table below shows the summary of contingent obligations that all cross-owned concessions provided/ paid during the POI (2015), to maintain the plantation and to harvest the plantation pulp woods.**

**The amount shown in the Table, were the average cost of the primary goods sold by each forestry company, and are expressed in rupiah per metric ton of logs harvested.**

**CONTINGENT OBLIGATIONS**

| Company | Total Contingent Expenses (excluding PSDH) (Rp per M3) |
|---|---|
| [Confidential] | [Confidential] |
| [Confidential] | [Confidential] |
| [Confidential] | [Confidential] |
| [Confidential] | [Confidential] |
| [Confidential] | [Confidential] |

**Program 2: GOVERNMENT PROHIBITION OF LOG EXPORTS**

It has been alleged that the domestic price of raw materials, in the form of logs, is artificially low due to a ban on the export of logs by the Government of Indonesia.

1. Provide the volume and value of all logs that your company and companies that are crossed-owned with your company purchased from unaffiliated parties during the POI. Include this information as part of your response in the **Raw Material Purchases** tab of the attached Excel spreadsheet. Report the following information for purchases of domestic logs and imported logs separately.

    a. Volume (cubic meters) and value of log purchases.

    **The requested information is summarized in Table as below, whiles the detailed information, which consists of information on 'volume', and 'value' of logs purchased from all suppliers, and is provided at attachment I-2.1A. All logs purchased were of <u>domestic origin</u>.**

**<u>Pulp Wood Logs Purchases</u>**

| Type of Wood | Volume (Ton) | Value (IDR) |
|---|---|---|
| HTI | [Confidential] | [Confidential] |

    b. Weighted-average purchase price (f.o.b. mill) by species, grade and quality.

    **The requested information on weighted-average purchase price is summarized in Table as below, whiles the detailed information, which consists of information on 'volume', 'value', and 'Weighted Average Price' of logs purchased from all suppliers, and is provided at attachment I-2.1A.**

| Type of Wood | Volume (Ton) | Value (IDR) | Weighted Average Price (IDR per Ton) |
|---|---|---|---|
| HTI | [Confidential] | [Confidential] | [Confidential] |

    c. All costs (rupiah/cubic meter) borne by the seller, including administrative, transportation, warehousing, and other selling expenses.

    **TK, IK and PD do not have information on any costs borne by the**

**unaffiliated companies**.

2. Describe whether the quality of any imported logs purchased by your company or cross-owned companies differs from that of logs purchased domestically.

**All logs were purchased domestically, no import of pulp wood logs were made during the POI**.

3. Of all the logs you have reported above as purchased from unaffiliated parties; please indicate the volume and value of those logs used in the production of uncoated paper.

**All logs purchased, will be processed and used to produce variety of products (coated and uncoated paper), thus it would be impossible for the Mills to single out which logs would be used to produce uncoated paper.**

4. Provide the names and addresses of the unaffiliated companies that supply the domestic logs that your company or cross-owned companies purchased during the POI.
**The name and address of unaffiliated companies are listed below:**

| No. | Company Name | Address |
|---|---|---|
| 1 | [Confidential] | [Confidential] |
| 2 | [Confidential] | [Confidential] |
| 3 | [Confidential] | [Confidential] |
| 4 | [Confidential] | [Confidential] |
| 5 | [Confidential] | [Confidential] |
| 6 | [Confidential] | [Confidential] |
| 7 | [Confidential] | [Confidential] |
| 8 | [Confidential] | [Confidential] |
| 9 | [Confidential] | [Confidential] |
| 10 | [Confidential] | [Confidential] |
| 11 | [Confidential] | [Confidential] |
| 12 | [Confidential] | [Confidential] |

| No. | Company Name | Address |
|---|---|---|
| 13 | [Confidential] | [Confidential] |
| 14 | [Confidential] | [Confidential] |
| 15 | [Confidential] | [Confidential] |
| 16 | [Confidential] | [Confidential] |
| 17 | [Confidential] | [Confidential] |
| 18 | [Confidential] | [Confidential] |

5. Are these unaffiliated log suppliers subject to Indonesian log export restrictions? If so, identify the restrictions and indicate how these export restrictions influence your log price negotiations with these unaffiliated suppliers. Please provide documentation that shows your firm's per-metric ton freight expenses for transporting the type of goods in question from the nearest seaport to your firm's factory complexes during the POI. If your firm did not incur these expenses, please provide the same information for shipping a closely-related input product or finished product to or from the nearest seaport during the POI.

**All Indonesian companies are subject to the GOI's regulations, among others, the Regulation on log export ban. However, this Regulation does not have any implication on the price of plantation pulp logs. It should be noted, that the regulation is only valid for logs, but not wood chips. Therefore, there are possibilities for any suppliers (affiliated or unaffiliated suppliers) to export wood chips, without breaking Government's regulation.**

6. 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 Loan Template as an attachment to your response and in electronic format using Microsoft Excel. 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).

**There is no government financing program during the POI.**

## PART I-2 FINANCIAL BENEFITS

**Program 3: Debt Forgiveness – Buyback of debt from the Government of Indonesia**

The Commission is aware that a previous United States Department of Commerce (USDOC) investigation found that the Government of Indonesia's forgiveness of debt owed by Asia Pulp and Paper/Sinar Mas Group (APP/SMG) through APP/SMG's buyback of its own debt to be countervailable.

Please respond to all questions below with respect to APP/SMG and the debt forgiveness it received as a result of its sale of "Certificates of Entitlement" (COEs) as partial repayment of APP/SMG's debt loans, and their use in repurchasing shares in Bank International Indonesia (BII), a bank previously controlled by APP/SMG.

**The allocation period for this non-recurring subsidy used by the USDOC is 13 years, which expired in 2015. Consequently, there is now no benefit to the Sinar Mas Group from this "Debt Forgiveness" and this "Program 3" cannot be considered a countervailable subsidy in relation to future exports.**

**For this reason we have not responded to the questions hereunder.**

In addition, provide the following information:

1. Describe the effect of the takeover of BII by Indonesian Bank Restructuring Agency (IBRA) on the outstanding debt of APP/SMG to BII. In addition to the loans themselves, specifically address the disposition of any liens and other agreements and obligations between BII and APP/SMG. How much APP/SMG debt was taken over when IBRA took over the role of APP/SMG's creditor from BII?

2. Provide a breakdown showing the amount of debt attributable to each individual company within the APP/SMG group. Ensure that this breakdown identifies each company/debtor and the amount of the debt and that the total of the reported amounts can be reconciled to the total amount of APP/SMG debt taken over by IBRA.

3. For the debt attributable to any companies involved in the production process for uncoated paper (i.e., the log harvesters, pulp producers, paper producers, and paper distributors), provide a breakdown showing individual loans and their terms. Ensure that this breakdown shows the dates, amounts, interest rates, and amortization schedules for all loans, and all payments of principal and interest separately, throughout the life of each loan. Compile this information in an Excel spreadsheet, and provide it both in hard copy and electronically. In addition, provide complete Annual Reports for the year in which IBRA became APP/SMG's creditor, including all financial statements, notes thereto, and auditor's reports, for each company involved in the production process for uncoated paper and any other company with which such companies are consolidated for financial reporting purposes. Provide a detailed narrative explanation (including an illustrative example) indicating where these loans are represented in the financial statements and notes.

4. Provide the status of all loans identified in question 2 above as of the date that APP/SMG used its BII shares to make loan repayments. Provide information showing the outstanding balance at that time. Please compile this information in an Excel spreadsheet, and provide it both in hard copy and electronically.

5. According to information developed in previous CVD investigations involving paper products, APP/SMG announced a unilateral moratorium on debt repayment. Provide this announcement for the record of this investigation. Explain whether interest continued to accrue on outstanding loan balances after the date that APP/SMG announced a unilateral moratorium on debt repayment. In addition, provide complete Annual Reports for the year in which the moratorium was announced, including all financial statements, notes thereto, and auditor's reports, for each company involved in the production process for uncoated paper and any other company with which such companies are consolidated for financial reporting purposes. Provide a detailed narrative explanation (including an illustrative example) indicating where these loans are represented in the financial statements and notes, and identifying any discussion of the moratorium therein.

6. Provide copies of any correspondence between any of the companies identified in question 2 above, including any owners, commissioners, or directors, or members of the Widjaja family, 4 and BII or IBRA regarding the status of these loans during the period between the announcement of the debt repayment moratorium and the takeover by IBRA from BII of the APP/SMG debt.

**Debt Forgiveness through APP/SMG's Buyback of its Own Debt from the Government of Indonesia.**

In a previous USDOC investigation involving paper products, the USDOC found that the Government of Indonesia's forgiveness of debt owed APP/SMG through the Government of Indonesia's late 2003 sale of $880 million in debt back to an affiliate of APP/SMG, Orleans Offshore Investment Ltd. (Orleans) to be countervailable. As noted above, the USDOC has previously found the mandatory respondent IK to be a part of APP/SMG. Please respond to all questions below with respect to APP/SMG and debt forgiveness it received as a result of the sale of APP/SMG debt to Orleans.

In addition, provide the following information:

1. Did APP/SMG make any other payments to IBRA on its outstanding debt before the debt was put up for sale and/or sold by IBRA? If so, provide a detailed account of each payment by APP/SMG to IBRA, including the date, the exact amounts in cash, the exact amount in shares or other non-cash payments, and other terms or conditions of each payment. Reconcile the $880 million amount with the total APP/SMG debt assumed by IBRA, and demonstrate and document the impact of any payments on the total outstanding debt.

2. How and when did APP/SMG become aware that IBRA was going to sell its debt? What was the process involved? Did IBRA notify APP/SMG that its debt was up for sale? If so, provide a copy of this notification.

3. Provide a breakdown by debtor of the $880 million of APP/SMG debt Orleans purchased from IBRA. In addition, provide detailed information regarding the terms of this debt (interest rate, maturity, repayment schedule). Compile this information in an Excel spreadsheet, and provide it both in hard copy and electronically. In addition, provide complete Annual Reports for the year in which this transaction was completed, including all financial statements, notes thereto, and auditor's reports, for each company involved in the production process for uncoated paper and any other company with which such companies are consolidated for financial reporting purposes. Provide a detailed narrative explanation (including an illustrative example) indicating where in the financial statements and notes the effect of this transaction on the companies' liabilities is represented.

4. What role or involvement did APP/SMG (or any of its owners, commissioners, directors, or members of the Widjaja family) have in the process in which IBRA sold the APP/SMG debt? Was APP/SMG (or any of its owners, commissioners, directors, or members of the Widjaja family) notified by IBRA of potential buyers? Provide complete Annual Reports for 2001 through 2004, including all financial statements, notes thereto, and auditor's reports, for any APP/SMG company involved in the process by which IBRA sold APP/SMG's debt to Orleans.

5. Specify whether APP/SMG was given an opportunity to buy back its debt. If so, please provide any relevant documentation, and explain why APP/SMG did not avail itself of this opportunity.

6. Describe in detail the nature of any relationships between or among any APP/SMG companies (and their owners, commissioners, directors or members of the Widjaja family) and Orleans. Provide copies of Orleans' annual reports for 2002 through 2005.

7. Describe in detail how APP/SMG debt was transferred to Orleans by IBRA. Provide copies of any documents which detail that transfer. In addition, describe in detail how the transfer affected the balance of outstanding APP/SMG debt. Please break down the debt by debtor and provide any new agreements with Orleans, including loan balances at the time of the transfer and loan terms including interest rates, repayment schedules, etc. Compile this information in an Excel spreadsheet, and provide it both in hard copy and electronically. In addition, provide complete Annual Reports for the year in which the sale was completed, including all financial statements, notes thereto, and auditor's reports, for each company involved in the production process for uncoated paper and any other company with which such companies are consolidated for financial reporting purposes. Provide a detailed narrative explanation (including an illustrative example) indicating where in the financial statements and notes the effect of this transaction on the companies' liabilities is represented.
8. Describe any liens on APP/SMG assets or other agreements and obligations by APP/SMG with respect to this debt. Address the disposition of these liens and obligations after the transfer of debt to Orleans. Provide copies of any documents, and any subsequent revisions to those documents that support your explanations.

9. Describe in detail how APP/SMG has been paying its debt to Orleans Investment, and provide all related documents, including evidence of payment of interest and principal. Provide the debt repayment schedule, balance information, and an explanation of any special clauses that may include information on grace periods, forgiveness of payments, opportunities for discounting, rollovers or debt retirement, and/or repayment contingent on subsequent events. In addition, provide information on the actual payments of principal and interest. Please compile this information in an Excel spreadsheet, and provide it both in hard copy and electronically.

10. Provide the Commission with financial records that establish the loans are currently being repaid, and the current status of the loans. In addition, provide copies of agreements with any successor financial institutions related to the debt at issue. In addition, provide complete Annual Reports for the years since the transaction was completed through 2014, including all financial statements, notes thereto, and auditor's reports, for each company involved in the production process for uncoated paper and any other company with which such companies are consolidated for financial reporting purposes. Provide a detailed narrative explanation (including an illustrative example) indicating where in the financial statements and notes the company's service of this debt is represented. If the debt service is not represented in the financial statements and notes thereto, please explain how such debt service is recorded in the company's books and records, and provide copies of relevant records that demonstrate that the loan obligations are being fulfilled.

## PART I-5 ANY OTHER PROGRAMS

If the Government of Indonesia, any of its agencies or any other authorised body has provided any other benefit[3] 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, raw materials, and transport);
- the reduction of tax payable including income tax and VAT;
- reduction in land use fees;
- loans from Policy Banks at below-market rates; or
- any other form of assistance.

**There are no other benefits received under any other assistance programs.**

[3] Refer to the Glossary of Terms for a definition of benefit in this context.

# SECTION J - EXPORTER'S DECLARATION

☑ I hereby declare that.**PT Pabrik Kertas Pindo Deli Tbk** 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.

**Name :....Roger Simpson.....**

**Signature :.... .....**

**Position in Company :.....Consultant.....**

**Date :.....26/5/16.....**

# SECTION K - 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 | ☑ |
| Section B – export price | ☑ |
| Section C – like goods | ☑ |
| Section D – domestic price | ☑ |
| Section E – fair comparison | ☑ |
| Section F – exports to third countries | ☑ |
| Section G – costing information | ☑ |
| Section H – particular market situation | ☑ |
| Section I – countervailing (subsidisation) | ☑ |
| Section J - declaration | ☑ |

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

# LIST OF ATTACHMENTS

## Attachments:

| | | |
|---|---|---|
| Attachment | A-3.2 | Company Structure (Confidential) |
| | A-3.9 | Organisation Structure (Confidential) |
| | A-4.3 | Financial Statements (Confidential) |
| | A-5 | Income Statement (Confidential) |
| | A-6 | Turnover (Confidential) |
| | B-1 | Export Customer details (Confidential) |
| | B-2(g) | Forward Orders (Confidential) |
| | B-4 | Australian Sales (Confidential) |
| | B-9 | Export documents – Kensington (Confidential) |
| | C-3 | Like Goods (Confidential) |
| | C-4 | Catalogues |
| | D-4 | Domestic sales – Pindo Deli & CMI (Confidential) |
| | D-7 | Domestic sales documents – CMI (Confidential) |
| | F-1 | Third Country Sales (Confidential) |
| | G-1 | Production process (Confidential) |
| | G-2 | Production capacity (Confidential) |
| | G-4 | CTMS – domestic sales (Confidential) |
| | G-5 | CTMS – exports to Australia (Confidential) |
| | H-1.2(b) | Board of Directors & Commissioners (Confidential) |
| | H-1.3(a) | Business Licence (Confidential) |
| | H-1.4(e) | Director's meeting (Confidential) |
| | H-2.3 | Priority Industry Group (Confidential) |
| | H-3.8(e) | List of domestic customers (Confidential) |
| | H-3.11(c) | Purchase procedures (Confidential) |
| | I-1.2 | HTI Licenses (Confidential) |
| | I-1.3 | Private log purchases (Confidential) |
| | I-1.4A | PSDH fee Regulation (Confidential) |
| | I-2.1(a) | Purchases from Non-Affiliates (Confidential) |
| | | Raw Material purchase prices (Confidential) |

**Attachment C-4**

# CATALOGUES