



Australian Government  
Department of Industry,  
Science and Resources

Anti-Dumping  
Commission

## Importer verification report

### Verification and case details

<b>Initiation date</b>	8/08/2022	<b>ADN</b>	2022-081
<b>Case number</b>	609		
<b>The goods under consideration</b>	Aluminium Extrusions		
<b>Case type</b>	Review of Measures		
<b>Importer</b>	Mega Stone Aluminium Pty Ltd		
<b>Location</b>	5/35 Bryant St Padstow NSW 2211		
<b>Verification date</b>	3/02/2023		
<b>Review period</b>	1/07/2021	to	30/06/2022

The Anti-Dumping Commission will review this report, including its views and recommendations.

This report may not reflect the Anti-Dumping Commission's final position.

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## Introduction

Mega Stone Aluminium Pty Ltd (**MSA**) submitted data to the Anti-Dumping Commission (**the commission**) in response to an importer questionnaire for Review of Measures 609 (**case 609**) into Aluminium Extrusions (the goods) from China.

A verification team (**the team**) has verified whether the data MSA submitted is complete, relevant, and accurate for use in case 609. [Anti-Dumping Notice \(ADN\) 2016/30](#) describes the commission's verification procedure.

This report explains the team's key findings, including the evidence considered and material issues identified. Where MSA or the team materially revised the submitted data, this report outlines the nature, extent, and outcomes of these revisions.

The commission prepared this report to publish on the electronic public record for case 609.

Verification teams are authorised to conduct verifications under sections 269SMG and 269SMR of the *Customs Act 1901* (Cth) (**the Act**).<sup>1</sup>

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<sup>1</sup> All legal citations in this report are to the Act unless otherwise stated.

## **1 Company background**

### **1.1 Corporate structure and ownership**

MSA is a privately owned company that specialises in the importation and sale of a range of aluminium extrusions and stainless systems. MSA was established in 2000 and was previously known as Mega Stone Developments Pty Ltd.

MSA has an office and warehouse located at Padstow, NSW. MSA does not trade under a different name and undertakes all its functions for importation of the goods. MSA sells its goods to the Australian market after importing from its sole supplier Goomax Metal Co. LTD (**Goomax**) a Chinese aluminium manufacturer and supplier.

### **1.2 Related parties**

The team examined the relationships between MSA and parties involved in the importation and sale of the goods. The team found that MSA did not have any related party customers or suppliers of the goods during the review period.

## **2 Goods under consideration**

### **2.1 Importation of the goods under consideration**

MSA confirmed that it imported the goods from Chinese exporter Goomax during the review period matching the description of the goods that are the subject of this review.

### **2.2 Model control codes**

The sales and costs data MSA submitted complies with the model control code (**MCC**) structure detailed in ADN 2022/081.

### **2.3 Verification of model control codes**

Table 1 below details how the team determined MCC sub-categories and verified them to source documents.

Category	Sub-category verification method
Finish	Australian customer's purchase order, importer's purchase order, supplier invoice and commercial documents.
Alloy code	Australian customer's purchase order, importer's purchase order, supplier invoice and commercial documents.
Temper code	Australian customer's purchase order, importer's purchase order, supplier invoice and commercial documents.
Anodising Microns	Australian customer's purchase order, importer's purchase order, supplier invoice and commercial documents.

**Table 1: MCC sub-category determination**

### **2.4 List of model control codes**

The team was satisfied that MSA sold the goods in the Australia market with the following MCCs during the review period:

MCC
A-6A-T1-1
M-6A-T1-0
PC-6A-T1-0

**Table 2: MCCs sold in the Australian market**

### **2.5 Like goods assessment**

The team is satisfied that MSA sold like goods in the Australian market.

MSA advised the commission that aluminium extrusions manufactured by Australian industry closely resemble the goods imported by MSA in terms of physical and commercial likeness, end use and functionality.

### 3 Verification of sales completeness and relevance

The commission typically verifies sales as complete and relevant by reconciling the revenue and quantity in sales listings up to management accounts and then audited financial accounts. ADN 2016/30 further describes this verification process.

The team verified whether the sales listings MSA submitted are complete and relevant by reconciling them to the financial statements, consistent with ADN 2016/30. MSA does not produce audited financial accounts. It provided the team with special purpose financial statements compiled for the benefit of its directors.

The team verified the relevance and completeness of the sales data as follows:

- MSA's total sales revenue reconciled to the most recent financial report, the most recent income statement and its accounting system for the most recent accounting period and the review period.
- MSA's sales revenue reconciled to its consolidated sales report, which included all products sold.
- MSA demonstrated the method used to classify the goods and non-subject goods is based on the product code.

The team identified the issues outlined below. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

#### 3.1 Sales completeness and relevance exceptions

##### 3.1.1 Exceptions during verification of sales completeness and relevance

**Description:** The team identified that some goods had unusually low unit values and may not be the goods.

**Resolution:** MSA advised these 'goods' were misclassified and were not the goods because they are cast, not extruded. MSA re-submitted the Part C sales listing correctly identifying the goods and non-goods.

##### Exception 1: Misclassification of goods

**Description:** The team identified a variance between total sales revenue in MSA's financial statements and the total summary of all products sold in the Part C sales listing.

**Resolution:** The team determined the variance related to credit card surcharges allocated to an Other Income account. No further changes were required.

##### Exception 2: Total sales revenue

#### 3.2 Sales completeness and relevance finding

The team is satisfied that the sales data MSA submitted is complete and relevant, including any revision outlined in an exception above.

## 4 Verification of sales accuracy

The accuracy of data is verified by reconciling selected data submitted 'downwards' to source documents. This part of verification involves the process of agreeing the volume, value, and other key information fields within the sales data down to source documents. This verifies the accuracy of the data (e.g., for sales data, the volume and value of the records for selected transactions are accurate and reflect sales that did occur).

The team verified accuracy of the sales listing submitted in Part C of the questionnaire response by reconciling these to source documents in accordance with ADN. No 2016/30.

The team did not identify any issues. The team detailed this process in the verification work program and its relevant attachments in **Confidential Attachment 1**.

### 4.1 Sales accuracy finding

The team is satisfied that the sales data MSA submitted is complete and relevant.

## **5 Verification of imports and cost to import and sell**

### **5.1 Import listing**

MSA confirmed that the import listing extracted from the Australian Border Force (**ABF**) import database is a complete list of imports of the goods over the review period.

### **5.2 Verification of cost to import and sell**

Prior to the verification, the commission selected 10 shipments for MSA to complete the cost to import and sell (**CTIS**) spreadsheet of the importer questionnaire.

For each of the selected shipments, MSA provided the following source documents:

- Commercial invoice from its supplier
- Packing list and packing declaration
- Bill of lading
- Sales contract
- Purchase order
- Quality certification from its supplier
- Ocean Freight invoice
- Supplier remittance advice
- Proof of payment receipt
- Import and customs disbursement charges invoice
- Purchase register in accounting system (MYOB)

The team verified whether the CTIS MSA submitted are complete and relevant by reconciling it to its accounting system, consistent with ADN 2016/30.

The team did not identify any issues during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

#### **5.2.1 Exceptions during verification of CTIS**

**Description:** The team determined that marine insurance included incorrect premiums per shipment, listed in the Part B worksheet of the RIQ.

**Resolution:** MSA provided updated and correct marine insurance premiums per shipment

#### **Exception 3: Marine Insurance**

### **5.3 CTIS allocation method**

The team verified the reasonableness of the method used to allocate the CTIS data provided in the questionnaire response. The evidence relied upon by the team to verify the CTIS information is shown in Table 3

<b>Cost Area</b>	<b>Method applied</b>
Ocean freight	Actual ocean freight cost invoiced to MSA by the ocean freight provider allocated by weight.
Marine insurance	Base premium per shipment.
Duties	Tax disbursement invoiced to MSA from their customs agent.



## PUBLIC RECORD

Cost Area	Method applied
Customs fees	Tax disbursement invoiced to MSA from their customs agent showing customs entry fees and the Australian importation declaration (N10) form.
Delivery	Actual delivery and toll fees invoiced to MSA from their inland transport freight forwarder.
SG&A	Indirect costs as a percentage of sales value.
Port service charges	Port services charges on importation costs invoiced to MSA from their ocean freight provider.

**Table 4: CTIS allocation method**

### 5.4 CTIS verification finding

The accuracy of the CTIS data is verified by reconciling sampled data 'downwards' to source documents. This part of the verification involves the process of agreeing key information fields within the CTIS data down to source documents.

The team verified the accuracy of the CTIS provided in the questionnaire response by reconciling it to source documents in accordance with ADN No. 2016/30.

A table detailing the weighted average unit CTIS is at **Confidential Appendix 2**.

## 6 Export price

### 6.1 The importer

The team considers MSA to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as MSA:

- is named as the buyer on the sales contract
- is named as the purchaser on the commercial invoice
- is named as the consignee on the bill of lading
- is declared as the importer on the importation declaration to ABF
- pays for all the importation charges and arranges delivery from the port
- arranged delivery from the port.

### 6.2 The exporter

The goods were imported to Australia by MSA. The team considers Goomax to be the exporter of the goods,<sup>2</sup> as it is:

- named as the seller on the commercial invoice
- named as the shipper on the bill of lading
- is the manufacturer of the goods located in the country of export
- arranges transportation of the goods to the port of export.

### 6.3 Profitability of imports

The team assessed the profitability for the selected shipments. In performing this assessment, the team were required to estimate the revenue for the selected shipments. This is because the actual revenue for the selected shipments could not be determined using MSA's accounting system. MSA's accounting system does not link sales to imports. The team's revenue estimation relied on available information and reasonable assumptions. Specifically, the team calculated a monthly weighted average selling price using data supplied in MSA's sales listing and multiplied this by the imported volume of the selected shipments to derive the estimated revenue. The team then compared the estimated revenue to the actual CTIS of the selected shipments.

The outcome of this assessment is in Table 5 below.

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<sup>2</sup> The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

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<b>Shipment</b>	<b>Profitable (Y/N?)</b>
1	Y
2	Y
3	Y
4	Y
5	Y
6	Y
7	Y
8	Y
9	Y
10	Y
<b>Weighted average all shipments</b>	<b>Y</b>

**Table 5: Profitability of selected imports**

After assessing the shipments, the team found that they were overall profitable. A detailed assessment is at **Confidential Appendix 2**.

## **6.4 Related party suppliers**

The team did not find any evidence that MSA is related to its supplier of the goods exported from China during the review period.

## **6.5 Arms length**

In respect of imports of the goods to Australia by MSA during the review period, the team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller
- the buyer, or an associate of the buyer, was directly or indirectly, reimbursed, compensated, or otherwise received a benefit for, or in respect of, whole or any part of the price.

Therefore, subject to further inquiries, the team is satisfied that the imports between MSA and its supplier are arms length transactions.

## **6.6 Export price assessment**

The team is of the opinion that for the goods imported by MSA from Goomax:

- the goods have been exported to Australia otherwise than by the importer
- the goods have been purchased by the importer from the exporter
- the purchases of the goods by the importer were arms length transactions.

Subject to further inquiries with the exporter the team recommends that the export price for goods imported by MSA from Goomax can be established under section 269TAB(1)(a), using the invoiced price, less transport and other costs arising after exportation.

## **7 Attachments**

Confidential appendix 1	Export price
Confidential appendix 2	CTIS and profitability of imports
Confidential attachment 1	Verification work program