



Australian Government
Department of Industry,
Innovation and Science

**Anti-Dumping
Commission**

Exporter Questionnaire

Case number: [495](#)

Product: [Steel reinforcing bar](#)

From: [the Republic of Turkey](#)

Investigation period: [1 October 2017 to 30 September 2018](#)

Response due by: [Monday 24 December 2018](#)¹

Case manager: [Gavin Crooks](#)

Phone: [+ 61 3 8593 2418](#)

Return completed questionnaire to:
investigations3@adcommission.gov.au

Anti-Dumping Commission website: www.adcommission.gov.au

¹ As the actual due date of 23 December 2018 falls on a Sunday, the effective due date is the following business day.

TABLE OF CONTENTS

| | |
|---|-----------|
| TABLE OF CONTENTS | 2 |
| INSTRUCTIONS | 4 |
| CHECKLIST | 7 |
| EXPORTER'S DECLARATION | 8 |
| GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES | 9 |
| SECTION A COMPANY INFORMATION..... | 11 |
| A-1 COMPANY REPRESENTATIVE AND LOCATION | 11 |
| A-2 COMPANY INFORMATION..... | 11 |
| A-4 GENERAL ACCOUNTING INFORMATION | 12 |
| A-5 FINANCIAL DOCUMENTS | 12 |
| SECTION B EXPORT SALES TO AUSTRALIA..... | 14 |
| B-1 AUSTRALIAN EXPORT SALES PROCESS | 14 |
| B-2 AUSTRALIAN SALES LISTING | 14 |
| B-3 SAMPLE EXPORT DOCUMENTS..... | 15 |
| B-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS | 15 |
| B-5 RECONCILIATION OF DIRECT SELLING EXPENSES TO FINANCIAL ACCOUNTS | 15 |
| SECTION C EXPORTED GOODS AND LIKE GOODS..... | 17 |
| C-1 MODELS EXPORTED TO AUSTRALIA | 17 |
| C-2 MODELS SOLD IN THE DOMESTIC MARKET | 17 |
| C-3 INTERNAL PRODUCT CODES | 17 |
| SECTION D DOMESTIC SALES | 18 |
| D-1 DOMESTIC SALES PROCESS | 18 |
| D-2 DOMESTIC SALES LISTING | 18 |
| D-3 SAMPLE DOMESTIC SALES DOCUMENTS | 18 |
| D-4 RECONCILIATION OF SALES TO FINANCIAL ACCOUNTS | 19 |
| SECTION E DUE ALLOWANCE..... | 20 |
| E-1 CREDIT EXPENSE | 20 |
| E-2 PACKAGING | 20 |
| E-3 DELIVERY | 20 |
| E-5 OTHER DIRECT SELLING EXPENSES | 21 |
| E-3 OTHER ADJUSTMENT CLAIMS | 21 |
| SECTION F THIRD COUNTRY SALES | 22 |
| F-1 THIRD COUNTRY SALES PROCESS | 22 |
| F-2 THIRD COUNTRY SALES LISTING | 22 |
| F-3 DIFFERENCES IN SALES TO THIRD COUNTRIES..... | 22 |
| SECTION G COST TO MAKE AND SELL..... | 23 |
| G-1. PRODUCTION PROCESS | 23 |
| G-2. COST ACCOUNTING PRACTICES..... | 23 |
| G-3 COST TO MAKE ON DOMESTIC MARKET | 23 |
| G-4 SELLING, GENERAL & ADMINISTRATION EXPENSES | 24 |
| G-5 COST TO MAKE THE GOODS EXPORTED TO AUSTRALIA | 24 |
| G-6 COST ALLOCATION METHODOLOGY..... | 24 |
| G-7 MAJOR RAW MATERIAL COSTS..... | 25 |
| G-8 RECONCILIATION OF COST TO MAKE TO AUDITED FINANCIAL STATEMENTS..... | 25 |
| SECTION H COUNTERVAILING | 27 |
| INTRODUCTION..... | 27 |
| H-1 GENERAL..... | 28 |
| H-2 PROVISION OF GOODS (PROGRAMS 1 TO 4)..... | 28 |

FOR OFFICIAL USE ONLY / PUBLIC RECORD

| | | |
|--|---|-----------|
| H-3 | PREFERENTIAL TAX POLICIES (PROGRAMS 5 TO 9)..... | 29 |
| H-4 | TARIFF & VAT EXEMPTIONS (PROGRAMS 10 TO 12)..... | 31 |
| H-5 | PREFERENTIAL LOANS (PROGRAMS 13 TO 20) | 33 |
| H-6 | DIRECT TRANSFER OF FUNDS (PROGRAM 21) | 34 |
| H-7 | OTHER CATEGORY PROGRAMS (PROGRAMS 22 TO 23) | 35 |
| H-8 | INVESTMENT INCENTIVE PROGRAM (PROGRAM 24)..... | 36 |
| H-9 | OTHER PROGRAMS | 37 |
| EXPORTER'S DECLARATION..... | | 39 |
| APPENDIX GLOSSARY OF TERMS..... | | 40 |

INSTRUCTIONS

Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a dumping and countervailing investigation into steel reinforcing bar (rebar) exported to Australia from the Republic of Turkey (Turkey).

The Commission will use the information you provide to determine normal values and export prices over the investigation period (the period). This information will determine whether rebar is dumped.

If you do not manufacture the goods

If you play a role in the export of the goods but do not produce or manufacture the goods (for example, you are a trading company, broker, or vendor dealing in the goods), it is important that you forward a copy of this questionnaire to the relevant manufacturers and inform the case manager of the contact details for these manufacturers **immediately**.

The Commission will still require your company to complete this exporter questionnaire except Section G – Cost to make and sell.

What happens if you do not respond to this questionnaire?

You do not have to complete the questionnaire. However, if you do not respond, do not provide all of the information sought, do not provide information within a reasonable time period, or do not allow the Commission to verify the information, we may deem your company to be an uncooperative exporter. In that case the Commission must determine a dumping margin having regard to all relevant information.

Therefore, it is in your interest to provide a complete and accurate response to this exporter questionnaire, capable of verification.

Extension requests

If you require a longer period to complete your response to this exporter questionnaire, you must submit a request to the case manager, outlining the reasons in writing, for an extension to the due date for all or part of the questionnaire. This request must be made prior to the due date. A request for extension will be rejected if received after the due date.

When considering the extension request, the Commission will have regard to:

- the Commission's responsibility to conduct the case in a timely and efficient manner;
- the reasons why you could not provide a response within the whole period and not only the period remaining between the request and the due date;
- ordinary business practices or commercial principles;
- the Commission's understanding of the relevant industry;
- previous correspondence and previous dealings with your company; and
- information provided by other interested parties.

More information on extensions can be found in the *Customs (Extension of Time and Non-cooperation) Direction 2015* at <https://www.legislation.gov.au/Details/F2015L01736>.

You will be informed of the decision whether your request for an extension has been rejected, granted in full or granted in part. For example, you may be granted an extension to submit all sections except for Section A or you may be granted a shorter extension than you requested.

A summary of any requests and grants of extensions to submit a response to this exporter questionnaire will be published in the public record.

Submitting a response to the exporter questionnaire

Responses to the exporter questionnaire should be lodged by email listed on the cover page. In submitting the response to the exporter questionnaire, you must answer all questions, include all attachments and spreadsheets, and provide a non-confidential version of your response to this exporter questionnaire.

If your response to this exporter questionnaire contains major deficiencies that, in the Commissioner's view, cannot be quickly and easily rectified in a further response, then your company may be deemed as an uncooperative exporter.

Confidential and non-confidential responses

You are required to lodge a confidential version (for official use only) and a non-confidential version (for public record) of your response to this exporter questionnaire by the due date. Please ensure that *each page* of information you provide is clearly marked either "FOR OFFICIAL USE ONLY" or "PUBLIC RECORD".

All information provided to the Commission in confidence will be treated accordingly. The non-confidential version of your submission will be placed on the public record, and must contain sufficient detail to allow a reasonable understanding of the substance of the information, but does not breach confidentiality nor adversely affect those interests.

A person is not required to provide a summary for the public record if the Commission can be satisfied that no such summary can be given that would allow a reasonable understanding of the substance of the information.

All submissions are required to have a bracketed explanation of deleted or blacked out information for the non-confidential version of the submission. An example of a statement to accompany deleted/blacked out text is:

[Explanation of cost allocation through the divisions, by reference to machine hours or weight].

If such an explanation is not provided, the Commission may disregard the information in the submission. Where the public record version of your response to the exporter questionnaire does not contain sufficient detail, your company may be deemed to have significantly impeded the case and be deemed an uncooperative exporter.

Verification of the information that you supply

The Commission may wish to conduct a visit to your company to verify your questionnaire response for completeness, relevance and accuracy of the information to your company's records.

The verification visit is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be relevant, complete and accurate.

Any verification visit typically commences approximately 2 to 4 weeks after the due date of the response to the exporter questionnaire. To assist with planning of a verification visit, please contact the case manager as soon as possible for a potential verification date to be scheduled.

Verification is usually conducted over 4 days. However, in complex cases, a verification visit may be scheduled over 5 days. A verification visit will include a detailed examination of your company's records and we will collect copies of relevant documents. The verification will require the participation of key staff, including your financial accountant, production manager and sales staff. A tour of the manufacturing facility may also be required during the verification visit.

Note that the Commission may disregard any data or information that is not verified, including new or additional information provided after the verification visit.

FOR OFFICIAL USE ONLY / PUBLIC RECORD

A report will be prepared following the verification visit, which details the outcomes of the visit. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping margin. The Commission considers that the dumping margin is not confidential information, but rather an aggregate figure derived from confidential data.

You will be provided with an opportunity to comment on the accuracy and confidentiality of the verification report prior to its publication on the public record.

The Commission may elect to undertake an alternative verification methodology than an on-site verification to satisfy itself of the completeness, relevance and accuracy of the data.

For information on the Commission's verification procedures, refer to Anti-Dumping Notice No. 2016/30 available on the Commission's website.

Important instructions for preparing your response

- All questions in this exporter questionnaire must be completed. If a question is not applicable to your situation, please answer the question with "Not Applicable" and provide an explanation as to why.
- All questions must be answered in English. An English translation must be provided for documents not originally in English.
- Clearly identify all units of measurement (e.g. KG) and currencies (e.g. AUD) used. Apply the same measurement consistently throughout your response to the questionnaire.
- Label all attachments to your response according to the section of the questionnaire it relates to (e.g. label the chart of accounts as Attachment A-5.6)
- The data must be created as spreadsheet files in Microsoft Excel.
- If you have used formulas to complete spreadsheets, these formulas must be retained and not hard-coded.
- You must retain all worksheets used in answering the questionnaire. Be prepared to provide these worksheets during the Commission's verification of your data.
- If you cannot present electronic data in the requested format contact the case officer as soon as possible.
- Where possible, electronic data should be emailed or shared with the Commission via SIGBOX, a secure online document repository. Please contact the case manager to request access to SIGBOX if required.

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 Company information | <input type="checkbox"/> |
| Section B Export sales to Australia | <input type="checkbox"/> |
| Section C Exported goods And like goods | <input type="checkbox"/> |
| Section D Domestic sales | <input type="checkbox"/> |
| Section E Due allowance | <input type="checkbox"/> |
| Section F Third country sales | <input type="checkbox"/> |
| Section G Cost to make and sell | <input type="checkbox"/> |
| | |
| Section H Countervailing | <input type="checkbox"/> |

FOR OFFICIAL USE ONLY / PUBLIC RECORD

| | |
|---|--------------------------|
| EXPORTER'S DECLARATION | <input type="checkbox"/> |
| Non-confidential version of this response | <input type="checkbox"/> |

| Attachments | Please tick if you have provided spreadsheet |
|--|--|
| B-2 Australian sales | <input type="checkbox"/> |
| B-4 Upwards sales | <input type="checkbox"/> |
| B-5 Upwards selling expenses | <input type="checkbox"/> |
| D-2 Domestic sales | <input type="checkbox"/> |
| F-2 Third country sales | <input type="checkbox"/> |
| G-3 Domestic CTM | <input type="checkbox"/> |
| G-4.1 SG&A listing | <input type="checkbox"/> |
| G-4.2 Dom SG&A calculation | <input type="checkbox"/> |
| G-5 Australian CTM | <input type="checkbox"/> |
| G-7.2 Raw material CTM | <input type="checkbox"/> |
| G-7.4 Raw material purchases | <input type="checkbox"/> |
| G-8 Upwards costs | <input type="checkbox"/> |
| I-1 Company Turnover | <input type="checkbox"/> |
| I-2 Raw Material Purchases (if required) | <input type="checkbox"/> |
| I-3 Income Tax | <input type="checkbox"/> |
| I-4 Grants | <input type="checkbox"/> |

GOODS UNDER CONSIDERATION / GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods under consideration (the goods) i.e. the goods exported to Australia, that are allegedly dumped and subsidised, are:

The goods are hot-rolled deformed steel reinforcing bar whether or not in coil form, commonly identified as rebar or debar, in various diameters up to and including 50 millimetres, containing indentations, ribs, grooves or other deformations produced during the rolling process. The goods include all steel reinforcing bar meeting the above description regardless of the particular grade, alloy content or coating. Goods excluded from this application are plain round bar, stainless steel and reinforcing mesh.

Proposed Model Control Code Structure

As announced in ADN No. 2018/128 published on 9 August 2018, the Commission has commenced using a model control code (MCC) structure in relation to applications received for the publication of a dumping duty and countervailing duty notice.

The Commission will undertake model matching using the proposed MCC structure outlined at Appendix 1 to this notice in order to identify key characteristics that will be used to match models of the goods exported to Australia and like goods sold domestically in the country of export. The proposed MCC structure is based on information received from the applicant and any other information the Commission considers relevant. The MCC structure shall be applied in responses to questionnaires provided by exporters.

Proposals to modify the MCC structure should be raised as soon as is practicable, but no later than the time the responses to the questionnaires are due (24 December 2018) and placed on the public record prior to any verification, otherwise the response may be deemed deficient.

Interested parties are encouraged to make submissions on whether proposed modifications to the MCC structure should be accepted by the Commission. Any changes to the MCC structure will be considered by the Commission and reported in either verification reports or in the SEF.

Full guidance regarding the Commission's application of MCC structure is provided at ADN No. 2018/128 on the Commission's website at www.adcommission.gov.au.

Model Control Codes

Details of the MCC structure for the goods are detailed in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Section G-3, G-4 and G-5) submitted in this response must follow this MCC structure. At a minimum, the data must report sales and cost data separately for each of the mandatory MCC categories identified by the Commission.

FOR OFFICIAL USE ONLY / PUBLIC RECORD

The Commission proposes to apply the following MCC structure in relation to *Investigation No.495*, regarding exports of rebar to Australia from Turkey.

| Item | Category | Sub-category | Identifier | Sales data | Cost data | Key category |
|------|--|--|------------|------------|-----------|--------------|
| 1 | Prime | Prime | P | Mandatory | Optional | Yes |
| | | Non-Prime | N | | | |
| 2 | Minimum yield strength specified by product standard (Mega Pascals or “MPa”) | Less than or equal to 300 | A | Mandatory | Mandatory | No |
| | | Greater than 300 but less than or equal to 480 | B | | | |
| | | Greater than 480 but less than 550 | C | | | |
| | | Equal to or greater than 550 | D | | | |
| 3 | Finished form | Rebar in length/straight | S | Mandatory | Mandatory | No |
| | | Rebar in coil | C | | | |
| 4 | Nominal diameter (millimetres or “mm”) | less than 12 | A | Mandatory | Optional | No |
| | | Greater than or equal to 12 and less than or equal to 16 | B | | | |
| | | Greater than 16 and less than or equal to 32 | C | | | |
| | | Greater than 32 | D | | | |
| 5 | Length (metres or “m”) | less than or equal to 6 | 1 | Mandatory | Optional | No |
| | | Greater than 6 and less than or equal to 12 | 2 | | | |
| | | Greater than 12 | 3 | | | |
| | | Coil product | C | | | |

As an example of how goods will be classified using this MCC structure, prime rebar of 500 MPa, in straight form, with a diameter of 12 mm, and a length of 10 metres, would receive the MCC PCSB2.

The MCCs will be used to model match export models to the identical or comparable domestic models. In addition, the MCCs will be used to determine the profitability of domestic sales in the ordinary course of trade test by comparing domestic selling prices to the corresponding cost to make and sell. The MCC may also be used to compare the export price to the cost to make the exported model as part of the constructed normal value.

If there are models manufactured and sold by your company that do not align within the MCC structure above, this should be raised by lodging a submission with the Commission as soon as is practicable, but no later than the time this questionnaire is due, otherwise the response may be deemed deficient.

SECTION A COMPANY INFORMATION

A-1 Company representative and location

1. Please nominate a contact person within your company:

Name:
Position in the company:
Telephone:
E-mail address:

2. If you have appointed a representative, provide the their contact details:

Name:
Address
Telephone:
E-mail address:

In nominating a representative, you are granting authority to the Commission to discuss matters relating to the case with the nominated representative, including your company's confidential information.

3. Please provide the location of the where the company's financial records are held.

All financial records of Kroman are administered from the Company's head offices at Emek Mh.Aşıroğlu Cad.No:155 Darıca-Kocaeli, Turkey. All the data is kept in Kroman's Head Office.

4. Please provide the location of the where the company's production records are held.

All manufacturing, research, and sales activities of Kroman are administered from the Company's head offices at Emek Mh.Aşıroğlu Cad.No:155 Darıca-Kocaeli, Turkey. All the data is kept in Kroman's Head Office.

A-2 Company information

1. What is the legal name of your business?

Kroman Çelik Sanayii A.Ş. (Kroman) as producer /exporter [REDACTED]

[REDACTED] (DETAILS on Export arrangement)

2. Does your company trade under a different name and/or brand? If yes, provide details.

Kroman does not trade under a different name

3. Was your company ever known by a different legal and/or trading name? If yes, provide details.

Kroman is not publically listed. A list of all principal shareholders of all group companies is provided in [Exhibit KRM_A-2.6](#)

7. What is the overall nature of your company's business? Include details of the products that your company manufacture and sell and the market your company sells into.

Kroman is a privately owned Turkish corporation. The Company was founded in 1966, for the production and marketing of steel and iron products and semi-products. The company produces iron and steel products such as rebar, wire rod and steel billets. Kroman is owned by Yucel Group since October 1985. Currently, Kroman continues its production with one meltshop and several rolling mills, in Darica Turkey. Kroman first produced rebar in 1999 and wire rod in 2008.

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:
- (a) produce or manufacture;
 - (b) sell in the domestic market;
 - (c) export to Australia; and
 - (d) export to countries other than Australia.

As noted above, exports to Australia- [REDACTED]

[REDACTED]. (Export arrangement)

9. Provide your company's internal organisation chart.

Requested information is provided in [Exhibit KRM_A-2.9](#).

10. Describe the functions performed by each group within the organisation.

Kroman's organization is structured by function. Please see [Exhibit KRM_A-2.9](#)

11. Does your company produce brochures, pamphlets or other promotional material? If yes, please provide them.

Product brochures and company catalogues in English are submitted in [Exhibit KRM_A-2.11](#).

A-4 General accounting information

1. What is your financial accounting period?

Kroman's normal corporate accounting period is the calendar year.

2. Are your financial accounts audited? If yes, who is the auditor?

Kroman's statutory financial accounts are audited by independent tax auditors

“**[REDACTED]** Also, the company prepares consolidated audited financial statements that are prepared according to international financial reporting standards “IFRS” audited by **[REDACTED]**

3. What currency are your accounts kept in?

Kroman's and [REDACTED] financial accounting currency is Turkish Lira (TL).

4. What is the name of your financial accounting system?

Kroman uses SAP.

5. What is the name of your sales system?

Kroman uses SAP to generate all necessary and general sales reports including:

- **Sales Analysis Reports (SD Module):** daily, monthly and annual basis.
- **Purchase Analysis Reports (MM Module):** reports based on the input type and the customer.
- **Accounting Reports (FI Module):** monitor the trial balance, sub-ledgers, and journal vouchers.
- **Cost Analysis Reports (CO Module):** reports product based costs from SAP

6. What is the name of your production system?

As noted above, Kroman uses SAP to generate all necessary production reports using the following modules:

- **Purchase Analysis Reports (MM Module): reports based on the input type and the customer.**
- **PP Production**
- **QM Quality Management**

7. If your financial accounting, sales and production systems are different, how do the systems interact? Is it electronically or manual? Please provide a detailed explanation and include diagrams.

Kroman uses the fully integrated SAP system. Kroman provides a flow chart for cost accounting in [Exhibit-KRM_A-4.7](#).

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

Kroman's financial accounting practices are in accordance with Turkish GAAP as prescribed by the Ministry of Finance for tax accounting (VUK tax procedure law).

9. Have there been any changes to your accounting practices and/or policies over the last two years? If yes, please provide details.

Not applicable. There have been no such changes.

A-5 Financial Documents

1. Please provide the two most recently completed annual reports and/or financial statements for your company and any other related companies involved in the production and sale of the goods.

Kroman and [REDACTED] do not prepare an annual report. The group prepares consolidated report at the end of each financial year which include Kroman and [REDACTED]. These consolidated audited statements are provided in [Exhibit KRM_A-5.1](#) for 2017 and 2016.

2. If the financial statements in A-5.1 are unaudited, provide for each company:
(a) the tax returns relating to the same period; and
(b) reconciliation of the revenue, cost of goods sold, and net profit before tax between the financial statements and tax returns.

Kroman's and [REDACTED] individual corporate tax returns are provided in [Exhibit KRM_A-5.2 and ExhibitA-5.2](#) for 2016, 2017 and 2018 up to September. No reconciliation is provided as the tax return contains a profit and loss table.

3. Does your company maintain different profit centres? If yes, provide profit and loss statements for the profit centre that the goods falls into for:
- (a) the most recent financial year; and
 - (b) the period.

Not applicable. Kroman does not prepare divisional profit and loss statements or for different profit centers.

4. If the period is different to your financial period, please provide:
- (a) Income statements directly from your accounting information system covering the most recent financial period and the period; or
 - (b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the period.

In [Exhibit KRM_A-5.4](#) Kroman provides quarterly income statements directly from accounting system for 2018 End of September. A period income statement is also included based on this information.

5. Please provide a copy of your company's trial balance covering the most recent financial year.

Requested information is provided for 2017 and 2018 up to September in [Exhibit KRM_A-5.5](#).

6. Please provide your company's chart of accounts

Kroman's chart of accounts is provided in [Exhibit KRM_A-5.6](#).

If any of the documents are not in English, please provide a complete translation of the documents.

SECTION B EXPORT SALES TO AUSTRALIA

B-1 Australian export sales process

1. Provide details (and diagrams if appropriate) of the export sales process of your company and any entities (e.g. agents) including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

Initially, Kroman receives an inquiry from customers. The export team at Kroman evaluates and analyses the inquiry and submits an offer. When the order is confirmed, customer sends a formal purchase order and Kroman issues a sales contract, which is reviewed and signed by the customer. Through SAP, orders are generated by the export sales team. The planning department is notified through SAP and production order is scheduled accordingly. The mill receives the production order, and the order becomes ready as scheduled. As noted above, most export sales of Kroman are [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]. [REDACTED] [REDACTED]

[REDACTED]. For sales to Australia, Kroman [REDACTED]

[REDACTED] [REDACTED]

[REDACTED]. Sales to Australia are typically paid by letter of credit (at sight). The invoices are on an actual weight basis [REDACTED]

[REDACTED] (Export transaction process)

2. In what currency do you invoice your Australian customers? If it is not in your local currency:
 - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details;
 - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? If yes, provide details;
 - (c) How is the exchange rate determined and how often is it updated in your accounting asystem?

The currency for all export sales to Australian customers is [REDACTED] The

[REDACTED] also in [REDACTED]

[REDACTED].(Payment transaction process & currency)

3. Are there any Australian customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

All Australian customers are unaffiliated.

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.

There are no price lists for export sales.

5. Do your export selling prices vary according to the distribution channel identified? If yes, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Kroman only sells to unaffiliated traders hence there are no multiple distribution channels.

6. Did you provide on-invoice discounts and/or off-invoice rebates to any Australian customer or an associate of the customer in relation to the sale of the goods during the period? If yes, provide a description and explain the terms and conditions that must be met by the customer to obtain the discount.

[REDACTED] did not grant any rebates or on invoice discounts to its export customers for the Australian sales.

7. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

[REDACTED] did not issue any credit / debit notes to its export customers for the Australian sales.

8. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:

- (a) What date are you claiming as the date of sale?
(b) Why does this date best reflect the material terms of sale?

Date of sale is the invoice date as the terms of sale are finalized on the date of invoice.

B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"
 - This worksheet lists all export sales (i.e. transaction by transaction) to Australia of the goods invoiced within the period.
 - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If there are any direct selling expenses incurred in respect of the exports to Australia not listed in the spreadsheet, add a column. For example, if the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. delivered duty paid), insert additional columns in the spreadsheet for all other costs incurred.

Kroman provides its sales listing in [Exhibit KRM_B-2](#) as requested. [REDACTED]

[REDACTED] the export customer.

All the information reported in the export sales listing is provided in the SAP report

[REDACTED] (Sales Detail

Report). The expenses in [REDACTED] are manually allocated based on actual charges. (Commercially sensitive information on accounting of sales)

2. Provide a table listing the source of the data for each column in the export sales listing (B-2.1).

As noted above, [REDACTED]

[REDACTED]

(Repeat of Above response)

B-3 Sample export documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Invoices for inland transport
 - Invoices for port handling and other export charges
 - Bill of lading
 - Invoices for ocean freight and marine insurance (if applicable)
 - Country of origin certificates (if applicable)

If the documents are not in English, please provide a translation of the documents.

Requested information is provided in [Exhibit KRM_B-3](#).

2. For each document, please annotate the documents or provide a table reconciling the details in the export listing (in B-2) to the source documents (in B-3.1).

The nature and description of each document is typed on the relevant document.

B-4 Reconciliation of sales to financial accounts

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listing in B-2, D-2 and F-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Requested information is provided in [Exhibit KRM_B-4](#) The currency is accounting currency i.e. Turkish Lira. Because Kroman prepares quarterly income statements, the income statement figure corresponds to the investigation period and no adjustment is required for “Difference between Investigation and Accounting Periods” Also, Kroman’s accounting is based on actual figures so no variances are reported.

Note that in this table, because the reconciliation is required for Kroman’s books, the Australian sales value represent the internal invoice value for [REDACTED]. As noted above, in B-2, Kroman reports [REDACTED] to final customer. In [Exhibit KRM_B-4-1](#), Kroman provides a correspondence table where for each Australian sale, the corresponding value ([REDACTED] for Kroman’s [REDACTED]. As seen here, the sum of [REDACTED] match B-4 upwards sales [REDACTED]

(Sales reconciliation process)

2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Kroman provided the GL account references where applicable. These amounts can be directly traced to the TB provided in [Exhibit KRM_A-5.5](#). In addition, Kroman

utilized an internal report “ [REDACTED] for figures that cannot be directly obtained from GL such as plain [REDACTED] sales that are booked together with rebar in coil. For those items where a reference is provided to “ [REDACTED] ” Kroman provides a summary pivot table of [REDACTED] report in [Exhibit KRM_B-4.2](#)

3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

Please see above.

B-5 Reconciliation of direct selling expenses to financial accounts

1. Please complete the worksheet named “B-5 Upwards selling expense” to demonstrate that the direct selling expenses (e.g. Inland transport) in B-2 and D-2 are complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

As noted above, Kroman reported all sales expenses [REDACTED]

[REDACTED] on an actual – transaction specific basis. Hence no allocation is performed.

Kroman lists the GL expenses by type of account below in Kroman’s and [REDACTED]

accounts below:

Kroman [REDACTED]

(Ledger Account numbers)

Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5, B-2 and D-2, required to complete the “Upwards SG&A” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Kroman provides the subsidiary ledger of [REDACTED] account in [Exhibit KRM_B-5.2](#).

2. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

As noted above, Kroman provides the subsidiary ledger of [REDACTED] account in [Exhibit KRM_B-5.2](#).

SECTION C EXPORTED GOODS AND LIKE GOODS

C-1 Models exported to Australia

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

Kroman exports rebar and rebar in coil to Australia in various grades under the specification AS-ZNS 4671. Kroman provides the specification in [Exhibit KRM_C-1.1](#).

2. Provide a list of MCCs of the goods exported to Australia. This must cover all MCCs listed in the Australian sales listing in B-2.
 - This list must be disclosed in the public record version of the response.

Requested information is provided in [Exhibit KRM_C-1.2](#).- Namely:-

- PCCBC
- PCSB1
- PCSB2
- PCSC1
- PCSC2

C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the period. Include specification details and any technical and illustrative material that may be helpful in identifying, or classifying, the like goods sold on the domestic market.

Kroman sells rebar and rebar in coil in the domestic market in various grades under the Turkish specification TS 708. Kroman provides the specification in [Exhibit KRM_C-2.1](#).

2. Provide a list of MCCs of like goods sold on the domestic market. This must cover all MCCs listed in the domestic sales listing in D-2.
 - This list must be disclosed in the public record version of the response.

| | | | |
|---------|-------|-------|-------|
| • PACAC | PBSA1 | PBSC3 | PCSB2 |
| • PACBC | PBSA2 | PBSD2 | PCSB3 |
| • PASA2 | PBSB1 | PBSD3 | PCSC2 |
| • PASB2 | PBSB2 | PCCAC | PCSC3 |
| • PASC2 | PBSB3 | PCCBC | PCSD2 |
| • PBCAC | PBSC1 | PCSA2 | |
| • PBCBC | PBSC2 | PCSB1 | |

Requested information is provided in [Exhibit KRM_C-2.2](#).-As listed.

C-3 Internal product codes

1. Does your company use product codes or stock keeping unit (SKU) codes?
If yes:

- (a) Provide details of the product or SKU coding system for the goods, such as a legend or key of the meaning for each code within the product or SKU code.
- (b) Provide details on how you mapped the product or SKU codes to the MCC for the purpose of completing this questionnaire.
- (c) Provide a table of showing the product or SKU codes for each MCC.

If no:

- (a) Provide details on the method used to identify the MCC in the sales and cost spreadsheets.

Kroman does not have product codes for its finished goods except for the general categories identified in its ERP system such as [REDACTED] or [REDACTED] (“[REDACTED] (“[REDACTED]”), [REDACTED] [REDACTED] (Internal product coding)

There is a description as “[REDACTED]” - “Product, Rebar ; Grade, [REDACTED] ; Diameter, [REDACTED] mm ; Length, [REDACTED]” for all materials in the system which is including product general category, grade, diameter and length. Kroman mapped the MCCs using the details in material descriptions.

Comments on MCCs proposed by the Australian Anti -Dumping Commission:

Length should not be considered as part of Model

- **No other known authority used length as part of MCC. Please see [Exhibit C-3.1.1](#) for US Connun structure for rebar cases. Also Canada model structure includes only specification, diameter, any coating.**
- **The production speed and cost is not affected. All rebar are produced in the same mill and only the synchronisation of knives changed. The length of billets are same for all lengths of rebars.**
- **Price is not affected (Icdas prices). Please see [Exhibit C-3.1.2](#) for the price list for ICDAS Iron and Steel. The price components are grade and diameter.**

SECTION D DOMESTIC SALES

D-1 Domestic sales process

1. Provide details (and diagrams if appropriate) of the domestic sales process of your company and any other related entities including:
 - (a) Marketing and advertising activities
 - (b) Price determination and/or negotiation process
 - (c) Order placement process
 - (d) Order fulfilment process and lead time
 - (e) Delivery terms and process
 - (f) Invoicing process
 - (g) Payment terms and process

In the domestic market, Kroman's sales process is as follows:

The customer submits the order by phone or by fax. Kroman's sales staff enters the order information into Kroman's information system with an order number. This creates a work order for the plant, and the plant informs the sales person whether the inventory is available to fill the order. If inventory is not available, the plant advises the salesperson when the production and loading can be scheduled. The salesperson issues a loading order to the delivery department. The truck is loaded, and a waybill is issued according to the actual loading of the truck. An invoice is issued, generally same day or one day after the loading.

When the order is entered into the information system, the order entry includes the date of maturity (i.e., date by which payment is required) for the sale. Kroman does not issue a contract other than the purchase order. Terms up to [REDACTED] days may be provided to the customers.

2. Are any domestic customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

There are some sales to related group companies which is [REDACTED] The prices are the same to related and unrelated customers.

3. If sales are in accordance with price lists or price extras list, provide copies of these lists.

There are no price lists for domestic sales.

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

Prices do not vary according to the distribution channels of types of customers.

5. Did you provide on-invoice discounts and/or off-invoice rebates to the customer or an associate of the customer in relation to the sale of the like goods during the period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

Kroman does not provide on-invoice discounts and/or off-invoice rebates to the customers in the domestic market.

6. Did you issue any credit or debit notes (directly or indirectly) to the customer or associate of the customer in relation to the sale of the like goods during the period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

Kroman did not issue any credit or debit notes (directly or indirectly) to the customer.

7. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
 - (a) What date are you claiming as the date of sale?
 - (b) Why does this date best reflects the material terms of sale?

Kroman reported the invoice date as the date of sale as material terms of sale are finalized on the date of invoice.

D-2 Domestic sales listing

1. Complete the worksheet named "D-2 Domestic sales"
 - This worksheet lists all domestic sales (i.e. transaction by transaction) of like goods invoiced within the period, even if they are models not exported to Australia.
 - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then add the sales within your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - 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-2 above, add a column for each item. For example, certain other selling expenses incurred.

Requested information is provided in [Exhibit KRM_D-2](#).

2. Provide a table listing the source of the data for each column in the domestic sales listing prepared for your response to question D-2.1.

All the information reported in the domestic sales listing is obtained from a SAP report named “XXXXXXXXXX“(Sales Detail Report)”

D-3 Sample domestic sales documents

1. Select the two largest invoices by value and provide the following documentation:
 - Contracts
 - Purchase order and order confirmation
 - Commercial invoice and packing list
 - Proof of payment and accounts receivable ledger
 - Documents showing bank charges
 - Delivery invoices

If the documents are not in English, please provide a translation of the documents.

Requested documentation is provided in [Exhibit KRM_D-2](#).

2. For each document, please annotate the documents or provide a table reconciling the details in the domestic sales listing (in D-2) to the source documents (in D-3.1).

The nature and description of each document is typed on the relevant document.

D-4 Reconciliation of sales to financial accounts

This section is not required if you have completed B-4.

Requested information is provided in [Exhibit KRM_B-4](#).

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listing in D-2 is complete.
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 -
2. Please provide all documents (e.g. general ledgers, trial balances), other than those in A-5 and D-2, required to complete the “Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “Upwards sales” worksheet that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

SECTION E DUE ALLOWANCE

E-1 Credit expense

1. Do you provide credit to any domestic customers in relation to sales of like goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your domestic customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.
 - (b) Do you have short term borrowings or an overdraft facility? If yes, what is the interest rate, or average of interest rates?
 - (c) Do you have term deposits or other cash product (e.g. bonds)? If yes, what is the interest rate, or average of interest rates?

Kroman reports the credit expense for its home market sales. Kroman uses the interest rate which is maintained by [REDACTED] finance department. The system calculates the credit related portion automatically for every order according to the payment term by using the [REDACTED] interest rate in the system. Kroman provides the list of interest rates for every [REDACTED] day in [Exhibit KRM_E-1.1](#).

2. Do you provide credit to any Australian customers in relation to sales of the goods (i.e. payment terms that are not on a cash or pre-payment basis)? If yes:
 - (a) Do you provide a rolling credit facility to your Australian customers (i.e. no specific payment terms agreed at the time of sale)? If yes:
 - i. Calculate the accounts receivable turnover for each domestic customer (credit sales divided by the average accounts receivable).
 - ii. Calculate the average credit term for each domestic customer by dividing 365 by the accounts receivable turnover.
 - (b) If your Australian customers pay you into a foreign currency denominated account (question B-1.2(a) refers):
 - i. Do you have short term borrowings or an overdraft facility denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?
 - ii. What is the interest rate, or average of interest rates, applying to term deposits or other cash product (e.g. bonds) denominated in the same foreign currency? If yes, what is the interest rate, or average of interest rates?

Kroman does not provide any credit for the Australian customers. All exports are payable with [REDACTED]. the payment is processed by the bank as soon as the [REDACTED].

E-2 Packaging

1. What is the packaging used for your domestic sales of like goods?

Packaging used for domestic sales is very basic which involved use of wire rod for tying to each bundle. These expenses are recorded in GL account [REDACTED] that rolls up to the cost of manufacture. The material code for tying wire rod is

[REDACTED]

2. What is the packaging used for your export sales of the goods to Australia?

Packaging used for export sales consists of the common packaging costs above plus wooden dunnages. These expenses are recorded in GL account [REDACTED] roll up to the selling and marketing expenses and the material codes for wooden dunnages are [REDACTED]

(Ledger accounts)

3. If there are distinct differences in packaging between your domestic and export sales:

- (a) Provide details of the differences.
- (b) Calculate the weighted average packaging cost for each model sold on the domestic market.
- (c) Calculate the weighted average packaging cost for each model exported to Australia.

Kroman provides the calculation of per unit packaging expense in [Exhibit KRM_E-2.3](#), separately for export and domestic. As shown in this exhibit, the consumption in POI for packing expenses (domestic) is taken directly from the cost accounting system and divided to the total sales. To this, per unit export packing expenses are added that are calculated by taking the total consumption in POI for wooden dunnage divided by total export quantity (including non-subject products)

E-3 Delivery

1. Are any domestic sales of like goods delivered to the customer? If yes, how were the transportation costs calculated in the domestic sales listing in D-2?

Some of Kroman domestic sales are delivered to customers warehouse or location defined by customers. [REDACTED]

[REDACTED] All home market inland freight expenses from plant to customer and export freight (to port) are recorded in Account Number [REDACTED] Kroman provides the detail of [REDACTED] account in [Exhibit KRM_B-5.2](#). [REDACTED].

(Explanatory outline on costing system for inland transport for domestic customers)

Please see [Exhibit KRM_E-3.1](#).

2. What are the delivery terms of the export sales of the goods to Australia?

The delivery terms are CFR or FOB for exports to Australia.

3. If the delivery terms of the Australian sales includes delivery to the port, how were the inland transport and port charges calculated in the Australian sales listing in B-2?

[REDACTED]

(Logistical arrangements for transport ex the mill)

. Kroman reported the actual inland freight on a transaction specific basis.

Kroman [REDACTED] the monthly average inland freight by actual invoices of logistic companies [REDACTED] for all Australia exports including non-subject products.

Kroman provides the calculation in [Exhibit KRM_E-3.3](#)

[REDACTED]

(Commercially sensitive Arrangements Kroman has with the freight forwarding/logistical company)

4. If the delivery terms of the Australian sales includes ocean freight, how was the ocean freight cost calculated in the Australian sales listing in B-2?

As noted above, [REDACTED]

(Commercial arrangement Kroman has with forwarding/logistic's company)

[REDACTED]

(Details on reporting of any ocean freight charges)

5. If the delivery terms of the Australian sales includes marine insurance, how was the marine insurance calculated in the Australian sales listing in B-2?

(Commercially sensitive **Details provided on reporting of any marine insurance**)

6. If the delivery terms of the Australian sales includes delivered duty paid, how were the Australian importation and delivery costs calculated in the Australian sales listing in B-2?

(Commercially sensitive **Details provided on reporting of any DDP sales**)

E-5 Other direct selling expenses

1. Do you provide sales commissions for domestic sales of like goods and/or export sales of the goods? If yes, provide details.

There is no commission for domestic and export sales to Australia. [REDACTED]

[REDACTED]

(Commercially sensitive details provided on any commissions payable by Kroman)

2. Are there any differences in tax liability between domestic and export sales? If yes, provide details, for example:
- What is the rate of value-added tax (VAT) on sales of the goods and like goods?
 - How is VAT accounted for in your records in relation to sales of the goods and like goods?
 - Do you receive a VAT refund in relation to sales of the goods and/or like goods?
 - Do you receive a remission or drawback of import duties on inputs consumed in the productions of the goods or like goods?

There is no difference between domestic and export sales. All reports prices and allowances are net of VAT.

During the POI, Kroman imported billets and made exports by using Turkish Inward Processing system. The Turkish inward processing regime (“IPR”) provides exemption from import duties and import taxes under certain conditions.

IPR provides tax/duty exemptions to the Turkish manufacturer/exporters by permitting manufacturer/exporters to import raw materials free of duties and taxes if

such inputs are intended for producing final goods for exportation. Under this system, the beneficiary of IPR has to submit to the Customs authorities at the time of importation a letter of guarantee or pledge of money covering the total of all duties and taxes that would otherwise be owed.

Kroman imports billets from various countries with a commitment to export the finished product that is manufactured by using the imported billets. Upon importation, Kroman is exempt from paying import duties, funds and value added tax in accordance with IPR, on the condition that the finished products will be exported. Upon completion of production and exportation, Kroman must submit a completion report demonstrating the export of finished goods. Failure to demonstrate that the finished goods are exported would result in retroactive collection of all the duties and taxes with penalty, according to the IPR. Please see section H for details of IPR regulations in Turkey

In order to ensure a fair comparison between export and domestic prices, a duty drawback adjustment is necessary. This duty drawback adjustment would represent the amount of duties that Kroman would have to pay if the product had been sold in the domestic market rather than in the export market. In [Exhibit- E-5.2](#), Kroman submits worksheets showing the calculation of the duty drawback adjustment. Duty drawback is calculated by dividing total amount of duties from which Kroman is exempted from paying corresponding to the imports made under IPR during the POI to the total exports to Australia made as a commitment against the imports to close the IPR. During the IP, Kroman imported and exported under three IPRs (i.e. Nos [REDACTED] [REDACTED]). In Section H Kroman submits relevant parts (such as import list, import invoices, customs declaration forms and export lists) of the IPRs .

The per unit duty drawback amount is reported in TL per metric tons.

Kroman reports the duty drawback adjustment with a negative sign in Exhibit B-2 Australian Sales list indicating that the adjustment should increase the export price by the amount of unpaid duties. The adjustment should be made in accordance with Article VI.4 of the GATT which states that:

No product of the territory of any contracting party imported into the territory of any other contracting party shall be subject to antidumping or countervailing duty by reason of the exemption of such product from duties or taxes borne by the like product when destined for consumption in the country of origin or exportation, or by reason of the refund of such duties or taxes.(emphasis added)

3. Are there any other direct selling expenses incurred by your company in relation to domestic sales of like goods?
 - These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5.

Kroman reported [REDACTED] expenses for the related home market customers. Kroman has a policy for covering bad debt risk, for some home market customers. The [REDACTED] expense are allocated to the sales to relevant customers, only. The per unit calculation for the collection insurance premium is provided in [Exhibit E-5.3.1](#).

In the home market, Kroman sells the subject goods directly from the mill to unaffiliated customers who are resellers or industrial end-users. The vast majority of customers who purchase subject merchandise are in the [REDACTED] system i.e. through an arrangement with a bank, the bank [REDACTED] Kroman's account on the due date. Kroman reported the [REDACTED] system expense to the relevant invoices. The per unit calculation for the [REDACTED] system expense is provided in [Exhibit E-5.3.2](#).

4. Are there any other direct selling expenses incurred by your company in relation to export sales of the goods to Australia?

- These direct selling expenses must be included in the reconciliation of direct selling expenses in B-5.

Kroman and [REDACTED] reported the domestic custom brokerage fee, export association fee and surveillance cost as direct selling expenses in the Australian Sales listing in B2 on actual basis.

E-6 Other adjustment claims

1. Are there any other adjustments required to ensure a fair comparison between the export price and the normal value (based on domestic sales, costs and/or third country sales)? If yes, provide details.
 - An adjustment will only be made where there is evidence that the difference affects price comparability.
 - Refer to Chapter 14 of the Dumping and Subsidy Manual for more information.

As per the response on Domestic Sales process, D 1, Kroman Celik does produce for inventory in relation to domestic sales. Kroman Celik considers there is an allowable adjustment for the inventory carrying cost of goods produced for domestic inventory.

SECTION F THIRD COUNTRY SALES

F-1 Third country sales process

1. Are your sales processes to any third country (i.e. exports to countries other than Australia) different to the sales process described in B-1.1? If yes, provide details of the differences.

Most of exports are made through affiliated company YIIP and Kroman made only limited exports directly to the customer. Kroman's sales process to third countries are the same for other exports.

2. Are there any third country customers related to your company? If yes, please provide a list of each related customer and provide details on how the selling price is set.

Kroman and [REDACTED] have no sales to an affiliated customer in any third country.

3. The invoice date will normally be taken to be the date of sale. If you are making a claim that a different date should be taken as the date of sale:
 - (a) What date are you claiming as the date of sale?
 - (b) Why does this date best reflects the material terms of sale?

Kroman's date of sale for third countries can be taken as the invoice date.

F-2 Third country sales listing

1. Complete the worksheet named "F-2 Third country sales"
 - This worksheet lists all export sales, summarised by country and customer, to third countries of like goods invoiced within the period.
 - If you have claimed in F-1.3 that the date of sale is one other than the invoice date, then add sales with your claimed date of sale.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Requested information is provided in [Exhibit KRM_F-2.1](#).

2. Provide a table listing the source of the data for each column in the export sales listing (F-2.1).

All the information reported in the export sales listing is provided in the SAP report [REDACTED] (Sales Detail Report).

F-3 Differences in sales to third countries

1. Are there any differences in sales to third countries which may affect their comparison to export sales to Australia? If yes, provide details.

There is no difference between Australia and third country exports except in certain cases (such as exports to [REDACTED]) third country exports are shipped in bulk carriers vs containers.

SECTION G COST TO MAKE AND SELL

G-1. Production process

1. Describe the production process for the goods and 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.

Requested information is provided in [Exhibit KRM_G-1.1](#).

2. Are any of your suppliers related to your company (regardless of whether it is relevant to the manufacture of the goods)? If yes, please provide details including the product or services supplied by the related company.

██████████ which is the logistic company of Yucel Group provides services to Kroman for inland freight. Freight rates are set at arm's length based on an unaffiliated carrier (██████████) prices.

G-2. Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)?

Kroman's cost accounting system is based on actual costs.

2. If you company uses standard costs:
 - (a) Were standard costs used as the basis of actual costs in your responses G-3.1 and G-5.1?
 - (b) Have all variances (i.e. differences between standard and actual production costs) been allocated to the goods?
 - (c) How were those variances allocated?
 - (d) Provide details of any significant or unusual cost variances that occurred during the period.

Kroman's cost accounting system is based on actual costs.

3. Do you have different cost centres in your company's cost accounting system? If yes, list the cost centres, provide a description of each cost centre and the allocation methodology used in your accounting system.

The list of cost centers are provided in [Exhibit KRM_G-2.3.1](#). Kroman traces costs based on production units such as meltshop, rolling mills and by products

4. To what level of product specificity (models, grades etc.) does your company's cost accounting system normally record production costs?

Kroman keeps track of costs based on grade and diameter and form (coil vs straight)

5. Are there any costs for management accounting purposes valued differently to financial accounting purposes? If yes, provide details of the differences.

There are no such costs.

6. Has your company engaged in any start-up operations in relation to the goods? If yes:
(a) Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.
(b) State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation in its accounting records.

Kroman did not have start-up operations in the POI.

7. What is the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out –LIFO, first in first out- FIFO, weighted average)?

Raw materials are entered into inventory at purchase prices actually paid, including freight and insurance costs if purchased on a delivered basis and other additional costs (e.g. custom duty). The costs of scrap consumed from inventory are calculated monthly, using a monthly weighted average calculation of beginning inventory quantities and amounts, quantities and amounts purchased and quantities left in stock at month-end. In Kroman's statutory books, finished goods inventory is valued at the costs coming from the cost accounting system on purchase order basis.

8. What are the valuation methods for damaged or sub-standard goods generated at the various stages of production?

All non-prime goods are assigned a single average monthly costs based on the costs absorbed by the non-prime goods.

9. What are the valuation methods for scrap, by products, or joint products?

Waste and scrap materials are off-cuts and defected billets which are recycled into scrap inventory based on the average domestic scrap price. The recycled scrap is directly offset in the cost accounting system.

In addition, by-products during the POI are slag and slag dust. Kroman does not assign any cost to these products. Therefore, Kroman, offsets the revenue from slag and slag dust/aggregate sales manually from its cost of manufacturing. The calculation of this offset ratio is provided [Exhibit G-2.9](#)

10. Are any management fees/corporate allocations charged to your company by your parent or related company? If yes, provide details.

Not applicable. There are no management fees/corporate allocations charged to Kroman

G-3 Cost to make on domestic market

1. Complete the worksheet named "G-3 Domestic CTM".
 - This worksheet lists the quarterly cost to make the domestic models of like goods by MCC manufactured within the period, even if they are models not exported to Australia.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture like goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all domestic sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Requested cost to make and sell information is provided in [Exhibit G-3](#). As requested, the information is provided based on cost of production of all models and reported on a quarterly basis. All costs are net of VAT

Note that, on the cost of production side, the production records cannot directly be linked to markets (such as domestic or Australia). Therefore, Kroman relied on its total production costs where we assigned MCC's to each production cost entry.

Thereafter, the costs of models which are sold in the domestic market are separated and reported in G-3 Domestic CTM. In other words, the reported production costs represent the production of that model for all markets, as it is not possible to determine the market on the production side.

2. Provide a table listing the source of the data for each column of the “Domestic CTM” listing (G-3.1).

All of the information in Domestic CTM is originating in SAP report listing costs called “XXXXXXXXXX”. The offset for sales of slag and dust are manually added as explained above. See Exhibit G-2.9

G-4 Selling, General & Administration expenses

1. Complete the worksheet named "G-4.1 SG&A listing".
 - This worksheet lists all selling, general and administration expenses by account code for the most recent accounting period and the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
2. Complete the worksheet named "G-4.2 Domestic SG&A calculation".
 - This worksheet calculates the unit domestic SG&A for each MCC.
 - You must provide this list in electronic format using the template provided.
 - Please use the formulas provided.

Please see [Exhibit G-4.1](#). and [Exhibit G-4.2](#). In these exhibits, Kroman separately identified direct expenses (such as freight) and indirect expenses are classified as export related, domestic related where possible. If it is not possible to separately identify an expense as being related to export vs domestic, that expense is classified as ‘common’. The unit domestic SG&A is calculated by dividing total indirect expenses by the sales revenue.

G-5 Cost to make the goods exported to Australia

1. Complete the worksheet named "Australian CTM".
 - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the period.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold) for each MCC.
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the goods, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as ‘other costs’ if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
 - If you have claimed in B-1.8 that the date of sale is one other than the invoice date, then provide the cost for the quarters that all Australian sales are made within your claimed date of sale, even if doing so means that such cost data predates the commencement of the period.

Requested cost to make and sell information is provided in [Exhibit G-5](#). As requested, the information is provided based on cost of production of all models and reported on a quarterly basis. All costs are net of VAT

As noted above, on the cost of production side, the production records cannot directly be linked to markets (such as domestic or Australia). Therefore, Kroman relied on its total production costs where we assigned MCC's to each production cost entry. Thereafter, the costs of models which are sold to Australia are separated and reported in G-5 Australia CTM. In other words, the reported production costs represent the production of that model for all markets, as it is not possible to determine the market on the production side.

2. Provide a table listing the source of the data for each column of the "Australian CTM" listing (G-5.1).

All of the information in Domestic CTM is originating in SAP report listing costs called "██████████". The offset for sales of slag and dust are manually added as explained above. See [Exhibit G-2.9](#)

G-6 Cost allocation methodology

1. What is the allocation methodology used to complete in G-3 domestic CTM and G-5 Australian CTM for:
 - (a) Raw materials
 - (b) Labour
 - (c) Manufacturing overheads

Kroman obtained the reported costs directly from its cost accounting system except the by product sales offset as explained above.

As noted above, Kroman does not use standard or budgeted costs. Production costs are accumulated in the financial accounting system on actual basis.

Kroman has an integrated cost accounting system with its financial accounting system. Accordingly, Kroman relied on its cost reporting and started with the actual

costs of all individual production entries during the POI, as computed in its cost accounting. Kroman reported its job-order based costs for the POI and then these costs were adjusted as for sales of by products as noted above. See Exhibit G-2.9.

Costs of manufacturing by each purchase order derived from its integrated cost accounting reporting from SAP. Then, Kroman consolidated these figures by the models and provided the G3 and G5. Kroman's cost of production items has been also consolidated into the major cost elements: material costs, labor costs, overhead costs and other costs. The structure of the cost accounting system is summarized in [Exhibit A-4.7](#)

Kroman cost accounting system allocates the production cost according to the actual production quantity for raw materials and for overhead costs. Kroman allocates the electricity and natural gas cost according to actual measurement from the plant. See [Exhibit G-6.1.1](#) for an allocation key showing how each cost component is allocated.

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the period and provide worksheets demonstrating the allocation methodology described in G-6.1 from your normal cost accounting system to the cost for that model reported in G-3.1.

Kroman provides a breakdown of largest MCC in [Exhibit G-6.2.1](#). Kroman provides cost details directly from the system of the largest production of largest MCC in [Exhibit G-6.2.1](#).

G-7 Major raw material costs

1. What are the major raw materials used in the manufacture of the goods?

Scrap and billet are the main raw materials in the manufacture of goods.

2. Are any raw materials sourced as part of an integrated production process or from a subsidiary company which your company exercise control? If yes, complete the worksheet named "G-7.2 Raw material CTM" for these raw materials.

Billet cost detail are provided in [Exhibit KRM_G-7.2](#).

PUBLIC RECORD VERSION –KROMAN CELIK

- This worksheet lists the quarterly cost to make the raw material manufactured within the period.
 - The costs must be based on actual cost of production (i.e. not standard costs or cost of goods sold).
 - If any imputation tax (e.g. value-added tax) is payable on the purchase of goods or services to manufacture the raw material, report the costs excluding the imputation tax. All other taxes payable (e.g. import duty) must be included as 'other costs' if not already included, for example, under material costs.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.
3. Using the domestic cost data in G-3, calculate the weighted average percentage of each raw material cost (listed in G-7.1) as a proportion of total cost to make.

Requested calculation is provided in [Exhibit KRM_G-7.3](#).

4. For each raw material identified in G-7.3 which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7.4 Raw material purchases"
- This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the period.
 - You must provide this list in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Requested samples are provided in [Exhibit KRM_G-7.4.1](#) for scrap and [Exhibit KRM_G-7.4.2](#) for billet.

5. Provide a table listing the source of the data for each column of the "Raw material purchases" listing (G-7.4).

All of the information for G.7.4 is originating in SAP report listing costs called

"[REDACTED]"(purchase invoice list) , "[REDACTED]"(trial balance) and "[REDACTED]"(Inventory values)

6. For each raw material:
- (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.

Requested samples are provided in [Exhibit KRM_G-7.6.a1](#) for scrap and [Exhibit KRM_G-7.6.a2](#) for billet.

- (b) Reconcile the total value listed of the purchases in G-7.4 to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Requested reconciliations are provided in [Exhibit KRM_G-7.6.b1](#) for scrap and [Exhibit KRM_G-7.6.b2](#) for billet.

7. Are any of the suppliers listed in G-7.4 related to your company? If yes, please provide details on how the price is set.

Kroman purchases the production pipe scrap of [REDACTED] and [REDACTED] which are the [REDACTED] producers. The total purchase from affiliated companies are [REDACTED] %.

The price for domestic scrap is daily announced by Kroman. The price is equal for all affiliated and unaffiliated companies. Any purchase done according to the current scrap price of Kroman.

G-8 Reconciliation of cost to make to audited financial statements

1. Please complete the worksheet named "Upwards costs".
 - You must provide this list in electronic format using the template provided.
 - Please use the currency that your accounts are kept in.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Requested information is provided in [Exhibit KRM_G.8](#)

2. Please provide any documents, other than those in A-5, G-3 and G-5, required to complete the "Upwards costs" worksheet.

All of the informations in G3 and G5 are originating in SAP report listing costs called "[REDACTED]". The inventory movement for reconciliation is provided in

[Exhibit KRM_G.8.2](#)

3. For any amount that is hard coded (i.e. not a formula), please cross-reference by providing:
 - the name of the source document, including the relevant page number, in column F of the worksheet; and
 - highlight or annotate the amount shown in the source document.

Please see above.

SECTION H COUNTERVAILING

Introduction

In the application, the applicant alleged the existence of a total of 32 programs, based on the findings of previous investigations undertaken by the US Department of Commerce (USDOC). The Commission also held a consultation with the Government of Turkey in relation to the application prior to this investigation being initiated. As part of the consultation process, the Government of Turkey provided a submission regarding the operation of the subsidies alleged by the applicant. The submission forms Non-Confidential Attachment 6 to *Anti-Dumping Consideration Report No.495*.

The Commission notes that there was minimal detail in the application for some of the 32 programs. In the limited time available to examine the application, the Commission had regard to the information provided by the Government of Turkey in its consultation submission and the Government of Turkey's *New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures*.

The Commission observed that there appeared to be some duplication in the programs listed in the application.

Based on available information, the Commission has limited this questionnaire to investigating the following. If further information comes to hand during the course of the investigation, the Commission may choose to investigate further programs. In this event, the Commission may issue a supplementary questionnaire.

| Program Category | No. | Program name |
|---|-----|---|
| Provision of goods | 1 | Natural Gas for Less than Adequate Remuneration |
| | 2 | Land for Less than Adequate Remuneration |
| | 3 | Electricity for Less than Adequate Remuneration |
| | 4 | Provision of Lignite for Less than Adequate Remuneration |
| Preferential tax policies | 5 | Deductions from Taxable Income for Export Revenue |
| | 6 | R&D Income Tax Deduction |
| | 7 | Withholding of Income Tax on Wages and Salaries |
| | 8 | Exemption from property tax |
| | 9 | Exemption from Income Tax on Wages Paid to Workers |
| Tariff & VAT Exemptions | 10 | Import duty rebates/drawbacks under Article 22 of Turkey's Domestic Processing Regime (RDP) Resolution 2005/839 (RDP duty drawback program) |
| | 11 | Investment Encouragement Program VAT and Import Duty Exemptions |
| | 12 | Inward Processing Certificate Exemption Program |
| Preferential Loans / Financial Arrangements | 13 | Pre-shipment Turkish Lira Export Credits |
| | 14 | Pre-shipment Foreign Currency Export Credits |
| | 15 | Pre-export Credits |
| | 16 | Short-term Export Credit Discounts |
| | 17 | Rediscount Program |

| Program Category | No. | Program name |
|------------------|-----|---|
| | 18 | Foreign Trade Company Export Loans |
| | 19 | Investments Provided under Turkish Law No. 5746 |
| | 20 | Turkish Development Bank Loans |
| Direct Funds | 21 | Industrial R&D Projects Grant Program |
| Other | 22 | Assistance to Offset Costs Related to AD/CVD Investigations |
| | 23 | Social Security Premium Support (Employer's Share) |
| | 24 | Social Security Premium Support (Employee's Share) |
| | 25 | Investment Incentive Program |

Table H-1: Subsidy programs

Kroman Çelik Sanayi A.Ş. ("Kroman") (producer and exporter of the subject merchandise), [REDACTED] hereby jointly submit their response to Section H of this questionnaire.(Associate group company)

H-1 General

- Complete the worksheet named "H-1 Company turnover":
 - This worksheet is a table of the total company revenue over the period and split into:
 - Total revenue for Australian sales, domestic sales and third country sales
 - Revenue of the goods for Australian sales, domestic sales and third country sales
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please see Exhibit H-1 for the requested table.

H-2 Provision of goods (Programs 1 to 4)

Specific Questions

- Does your business or any related business generate electricity from its own power plant facilities?

Response:

No group company generates electricity.

- If your business purchased natural gas in relation to the production of rebar, whether this be for power generation or other processes relating to the production of rebar, was the gas utility company a wholly state owned enterprise (SOE) or a state invested enterprise (SIE)? Please

provide the names of the companies that supplied your company natural gas during the investigation period indicating the nature of the supplier, e.g. SOE, SIE or private.

Response:

Kroman purchased natural gas only from private companies [REDACTED] A.Ş. and [REDACTED] A.Ş] for processes relating to the production of rebar. See [REDACTED] and [REDACTED]] are group companies of [REDACTED] A.Ş.] of which screenshot of web-page is provided in **Attachment H-2.2.**

3. Please provide copies of any relevant contracts or purchase agreements relating to your suppliers of natural gas listed in your response to H-2.2.

Response:

Please see **Exhibit H-2.3.**

4. Provide a summary of all payments made for natural gas during the investigation period in the attached spreadsheet labelled "H-2.4 Natural Gas" and provide copies of invoices and evidence of payment.

Response:

Please see **Exhibit H-2.4** for the requested table. Copies of invoices and payment evidence is also provided in the same exhibit.

5. Does your business or related business lease or purchase land use rights in relation to land from a SOE or SIE? If so provide a copy of the agreement(s).

Response:

Kroman did not lease or purchase land use rights in relation to land from SOE or SIE during the IP. ¹

6. Does your business or related business purchase electricity for use in the production of rebar? If not, what alternative power source is used in your production of rebar?

Response:

Kroman purchases electricity from a private electricity distribution company [REDACTED] A.S.] to use in the production of rebar.

¹ Kroman did not purchase land from [Makina Ihtisas Organize Sanayi Bolgesi] which is an industrial zone before the investigation period, however there is currently nothing installed on this plot of land. Kroman plans to install a service center processing section (non-subject merchandise) in this land however the construction has not started.

7. Provide a list, including a contact name and address, of all your suppliers of electricity, including those purchased through related businesses. Indicate whether the supplier is a SOE, a SIE or private and provide evidence supporting this.

Response:

As noted above, Kroman only purchased electricity from a private electricity distribution company [name of company.].

Company names - a private group – and [REDACTED] one of the biggest ten energy companies of Europe. Please see **Exhibit H-2.7**

8. Provide a summary of all payments and sales your company made for electricity during the investigation period in the attached spreadsheet labelled “H-2.8 Electricity” and provide copies of invoices and evidence of payment.

Response:

Please see **Exhibit H-2.8** for the requested table. Copies of invoices and payment evidence are also provided in the same exhibit.

9. If your company generates surplus electricity, outline how this surplus energy is used. During the investigation period, was any surplus electricity sold to a SOE or SIE? If so, provide details.

Response:

Not applicable. Kroman does not generate electricity.

10. Does your business operate any form of power generation which requires lignite (also known as “brown coal”)? If yes, outline how your power generation relates to the production of the rebar?

Response:

Not applicable. Kroman does not operate any form of power generation which requires lignite.

11. Provide an itemised list of lignite purchases in the worksheet named “H-2.11 Lignite”.

Response:

Not applicable. Kroman does not operate any form of power generation which requires lignite.

General Questions (answer in relation to each program)

12. Did your business or any related business receive any benefit under the above programs during the period? If yes, provide details.

Response:

As noted above, with respect to programs 1-4, Kroman purchased natural gas and electricity from private suppliers during the IP. Besides, Kroman did not lease or purchase land use rights in relation to land from SOE or SIE, and did not purchase lignite coal from any supplier during the IP.

Therefore, Kroman did not receive any benefits under programs 1-4.

13. Did your business receive any reduction/reduced price for the purchase of these goods/services during the investigation period? If so, describe the eligibility criteria that your business had to meet in order to qualify for any reduction in the price paid for the goods/services.

Response:

Not applicable. As noted above, with respect to programs 1-4, Kroman purchased gas and electricity from private suppliers and the land purchased from the organized industrial zone is not being used for any purpose. Therefore, Kroman did not receive any benefits under programs 1-4.

14. Describe the application and approval procedures for obtaining a benefit under the program.

Response:

Not applicable. As noted above, with respect to programs 1-4, Kroman purchased gas and electricity from private suppliers and the land purchased from the organized industrial zone is not being used for any purpose. Therefore, Kroman did not receive any benefits under programs 1-4.

15. Provide copies of all contractual agreements that detail the obligations of the SOE or SIE and your business with reference to the granting and receipt of the assistance/benefits.

Response:

Not applicable. As noted above, with respect to programs 1-4, Kroman purchased gas and electricity from private suppliers and the land purchased from the organized industrial zone is not being used for any purpose. Therefore, Kroman did not receive any benefits under programs 1-4.

H-3 Preferential tax policies (Programs 5 to 9)

1. Did your business or any related business receive any benefit² under the above tax programs during the investigation period **1 October 2017 to 30 September 2018**?

Response:

² Refer to the Glossary of Terms for a definition of benefit in this context.

Among the Programs 5 -9; Kroman & [REDACTED] benefited from the following programs

- **Deductions from Taxable Income for Export Revenue [REDACTED])**
- **R&D Income Tax Deduction (Kroman)**

In addition, Kroman and [REDACTED] benefited from a tax discount in 2017 granted to all taxpayers who do not have any tax penalties and timely made their payments. The discounted amount is shown on companies' tax return for FY 2017 as a separate line item. Because this tax discount is not specific, Kroman did not consider this as a reportable subsidy.

2. Complete the worksheet named "**H-3.2 Income Tax**":

- This worksheet is a table of your company's income tax liability over the last three income tax years.
- You must provide this table in electronic format using the template provided.
- If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Please see **Exhibit H-3.2 for the requested table.**

3. Provide a copy, bearing the official stamp of the appropriate level of the government, of all corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the last **THREE** completed income tax years. If the documents are not in English, please provide a translation of the documents or annotate documents where appropriate.

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

Response:

Please see **Exhibit H-3.3 for the income tax returns and translations.**

4. Please provide copies of any tax computations or other similar documents which support the completion of your company's income tax returns for each tax year referred to in H-3.3. If the documents are not in English, please provide a translation of the documents or annotate documents where appropriate.

Response:

There are no such documents.

5. Provide proof of your company's tax payments to your tax authority over the last three income tax years, including any progress payments made and related forms submitted to reconcile the tax returns referred to in H-3.3.

Response:

Tax accrual slips are also provided In Exhibit H-3.3

6. What is the general tax rate for enterprises in Turkey (also referred to as the company or corporate tax rate) during the previous three financial years?

Response:

The corporate tax rate was 20 percent during the previous three financial years in Turkey.

7. In relation to the programs 5-9, outline:

Kroman answers these questions separately for these programs below.

- ***Deductions from Taxable Income for Export Revenue (██████)***
- ***R&D Income Tax Deduction (Kroman)***
 - a. In which tax year was the tax paid or payable, less than the general tax rate for that particular year?

Response:

- ***Deductions from Taxable Income for Export Revenue (██████)***

The assistance is a deduction from taxable income. Under Article 40 of Income Tax Law 193, of January 6, 1961, as amended by Law 4108 of June 1995, taxpayers engaged in export, construction, maintenance, assembly, and transportation activities abroad may claim a "lump sum" deduction from gross income, in an amount not to exceed 0.5 percent of the taxpayer's foreign-exchange earnings. The purpose of the law is to enable exporters to have a deduction from taxable income, within the stated limit, for expenses that may lack proper documentation, such as lodging, food, and gas expenses incurred on overseas travel.

A tax payer can make this deduction from its taxable gross income in each year. There is a line item in the tax return showing the deduction. Thus, ██████ highlights the deduction amount in the corporate tax returns filed for the last three completed income tax years and provides in Attachment H-3-7-a. As is evident from tax returns, for the last three years ██████ benefitted from this program only for 2015 and 2017 tax returns. (Note that, the benefit received in 2015 is out of IP).

- ***R&D Income Tax Deduction (Kroman)***

This assistance is also a deduction from taxable income. As explained under Program 21 Kroman had two R&D projects approved by ██████ and it received

grant from [REDACTED] for some portion of its expenses made for these R&D projects. Kroman deducted its remaining R&D expenses which were not covered by [REDACTED] grants from its taxable income. For instance, in 2017, Kroman spent [REDACTED] TL for its R&D project approved by [REDACTED]. For that year, since Kroman estimated to receive [REDACTED] TL grant from [REDACTED] against its R&D expenditures, it deducted remaining [REDACTED] TL from its taxable income of FY 2017.

R&D and innovation expenditures incurred are deducted from the taxable income pursuant to “Law on supporting Research and Development Activities” (Law No. 5746). There is a line item in the tax return showing the deduction. Kroman made this deduction from its 2016 and 2017 corporate tax returns among last three completed income tax years. Kroman highlights the deduction amount in the tax returns and provides in **Attachment H-3-7-a**. (Note that, the benefit received in 2016 is out of IP).

b. What is the name of the authority granting your company the reduced tax rate?

Response:

The nature of these support programs is not imposition of a reduced tax rate. The programs, rather, enable a deduction from gross taxable income for undocumented expenses incurred in abroad and R&D expenses incurred. Thus, 20 percent corporate tax rate was applicable for Kroman and [REDACTED] during the IP.

Deduction from taxable income for export revenues program is administered by Turkish Ministry of Finance.

R&D Income Tax Deduction Program is jointly administered by Turkish Ministry of Finance and [REDACTED]

c. Outline the eligibility criteria your business had to satisfy to benefit from the reduced tax rate?

Response:

- **Deductions from Taxable Income for Export Revenue ([REDACTED])**

The only criterion is the company's receipt of foreign currency revenues from export sales in the fiscal year.

- **R&D Income Tax Deduction (Kroman)**

The eligibility criterion is based solely on technical merits of the R&D project. As explained in responses to questions under Program 21 – Industrial R&D Projects Grant Program, any project which is worthy of support can be supported. There are

not any eligibility criteria based on region, sector or scale of a company. The projects are evaluated based on three criteria: i) the project's R&D content and technological-innovative aspects; ii) the project plan and the company infrastructure; iii) economic and social benefits expected from the outcomes.

- d. State whether your eligibility for the program was conditional on one or more of the following criteria:
- whether or not your business exports or has increased its exports;
 - the use of domestic rather than imported inputs;
 - the industry to which your business belongs; or
 - the region in which your business is located.

Response:

- ***Deductions from Taxable Income for Export Revenue (██████)***

The only criterion is the company's receipt of foreign currency revenues from export sales in the fiscal year.

- ***R&D Income Tax Deduction (Kroman)***

The eligibility of the program is not conditional on the listed criteria; i.e. no export performance or domestic use of inputs are required, or the industry or region matters. Once an R&D project is approved ████████ only remaining portion of the R&D related expenditures – which are not covered by ████████ grants - are deducted from the taxable income.

- e. Provide details of the application process, if applicable, provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.

Response:

- ***Deductions from Taxable Income for Export Revenue (██████)***

There is no application or approval process; there is only a line item in the tax return showing the deduction.

- ***R&D Income Tax Deduction (Kroman)***

The application was made ████████. Once the project was approved ████████, Kroman received grant from ████████ for some portion of its R&D expenditures and made R&D deduction for the remaining part of the expenditures.

See [Attachment H-6.4.f](#).

- f. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

Response:

- ***Deductions from Taxable Income for Export Revenue ()***

There is no application or approval process; there is only a line item in the tax return showing the deduction.

- ***R&D Income Tax Deduction (Kroman)***

Please see attached Kroman's application form in Exhibit H-6.4.f.

- g. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.

Response:

- ***Deductions from Taxable Income for Export Revenue ()***

There is no application and approval process; any exporter is eligible for this benefit during any calendar year. Tax payers are only required to declare the deduction as a separate line item in the tax return.

- ***R&D Income Tax Deduction (Kroman)***

There is no approval process. Kroman declared the R&D deduction as a separate line item in the tax return.

- h. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.

Response:

- ***Deductions from Taxable Income for Export Revenue ()***

There is no such charges or expenses incurred.

- ***R&D Income Tax Deduction (Kroman)***

There is no such charges or expenses incurred.

- i. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Response:

- ***Deductions from Taxable Income for Export Revenue ()***

The benefit is in relation with receipt of foreign currency revenues from export sales in the fiscal year.

- ***R&D Income Tax Deduction (Kroman)***

The benefit is in relation with the R&D projects approved ().

- j. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements

Response:

- ***Deductions from Taxable Income for Export Revenue (█████)***

Please note that the recorded amount is not the benefit, rather the deduction amount. █████ records the deduction under Account [██████████] and the deduction amount is also shown on the tax return.

- ***R&D Income Tax Deduction (Kroman)***

Please note that the recorded amount is not the benefit, it's rather the deduction amount.

During the IP (in 2017); Kroman made expenditures for the R&D project numbered [██████████] and recorded the expenses under [Account # █████ – Investment in Progress]. However, as noted above, Kroman did not deduct the whole amount of these expenses from its taxable income. Thus, the exact deduction amount is shown on the tax return which was [██████████] TL in 2017. Kroman once again highlights that the R&D project is not directly related with the production of subject merchandise.

- k. To your knowledge, does the program still operate or has it been terminated?

Response:

Both programs still operate.

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

Response:

No, both programs still operate.

8. If your business currently pays income tax at a rate less than the general tax rate referred to in the previous questions, or paid at a rate less than that during the investigation period, please indicate whether the reduced rate of tax payable relates to any of the tax programs identified above.

Response:

Both Kroman and █████ pay income tax at the general corporate tax rate. However, as noted above, Kroman and █████ benefited from a tax discount in 2017

granted to all taxpayers who do not have any tax penalties and timely made their payments. The discounted amount is shown on companies' tax return for FY 2017 as a separate line item. Because this tax discount is not specific, Kroman did not consider this as a reportable subsidy.

9. **IF** the reduced rate of tax payable relates to programs which have **NOT** been identified at programs 5-9 please refer to these below.

Response:

See response to question 8 above.

- m. What tax rate did your company pay?
- n. In which tax year was the tax paid or payable, less than the general tax rate for that particular year?
- o. What is the name of the program?
- p. What is the name of the authority granting your company the reduced tax rate?
- q. Outline the eligibility criteria your business had to satisfy to benefit from the reduced tax rate?
- r. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - whether or not your business exports or has increased its exports;
 - the use of domestic rather than imported inputs;
 - the industry to which your business belongs; or
 - the region in which your business is located.
- s. Provide details of the application process, if applicable, provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.
- t. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.
- u. Provide a copy of any confirmation or other correspondence from the authority approving your company for the reduction in tax rate. If the documents are not in English, please provide a translation of the documents.
- v. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
- w. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
- x. Indicate where benefits under this program can be found in your accounting system (i.e. specify the ledgers or journals) and financial statements
- y. To your knowledge, does the program still operate or has it been terminated?
- z. If the program has been terminated, please provide details (when, why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

H-4 Tariff & VAT Exemptions (Programs 10 to 12)

It is the Commission's understanding that certain enterprises in Turkey may be eligible for exemption from the payment of import duties and VAT in certain circumstances.

If your business or a related business received benefits under any such program during the period 1 October 2017 to 30 September 2018, please answer the following questions.

Among the listed programs 10 to 12; Kroman used Inward Processing Regime Program. Kroman also notes that "Inward Processing Regime" is stipulated by Resolution Numbered [REDACTED]; thus Program 10 and 12 are the same. Therefore, below questions are responded for Program 10 and 12.

During the IP, Kroman and [REDACTED] did not use Program 11-Investment Encouragement Program.

1. Provide complete details involving the exemption of import duties or VAT received for any purchases.

Response:

Kroman participates to Inward Processing Regime ("IPR") under Turkish law. IPR provides tax exemptions to the Turkish manufacturer/exporters by permitting manufacturer/exporters to import raw materials free of import duties and value added tax ("VAT") if such inputs are intended for producing final goods for export. Under this system, the beneficiary of IPR has to submit to the Customs Authorities at the time of import a letter of guarantee or pledge of money covering the total of all duties and VAT that would otherwise be owed. The Turkish IPR Regulation and an English translation are provided in Attachment H-4-1.

Kroman imports raw materials with a commitment to export the finished product that is manufactured by using the imported raw materials under D-1 certificates. It does not participate in D-3 certificates which relate to domestic market sales. Upon import, Kroman is exempted from paying import duties, charges and VAT on the condition that the finished products will be exported. The Government has an online system (e-portal) in place to confirm which inputs, and in what amounts, are consumed in the production of the exported product as explained below.

In order to apply for an IPC, Kroman must first enter the products and quantities it intends to export, and then the product and quantity of imports required to produce the stated exports. The said online system never permits Kroman to exceed the quantity of imports based on certain pre-set limits (waste/yield ratios) set by the Ministry of Economy within the system. If the import quantity exceeds the

pre-set limit, the system automatically rejects the import quantity entered, with a notation in red indicating by how much the import figures exceed the pre-set limits. Thus, based on the objective pre-set limits an IPC with a specific number is issued by the Ministry of Economy upon Kroman's application.

Once the IPC is issued Kroman is allowed to begin to import the required raw materials. When the imported material arrives, Turkish Customs enters the import information, including the IPC number indicated on the Customs Entry Document, into its online system. Upon exportation, Turkish Customs enters the relevant information, including the IPC number indicated on the Customs Exit Declaration, into the online system. The Customs and the Ministry of Economy systems are linked, and all of the imports and exports under a given IPC can be viewed in the IPR e-portal; thus, the Government can track all of the imports and exports made under a particular IPC.

Upon completion of production and exportation, Kroman submits realized import and export lists to the Ministry of Economy demonstrating the export of finished goods linked to the imported inputs. Accordingly, the Turkish Government – Ministry of Economy – closed off these certificates after confirming Kroman fully realized its export commitments set out in the IPCs.

Kroman notes that Turkey's Inward Processing Regime is compliance with World Trade Organization Subsidies and Countervailing Measures Agreement provisions which renders this program as non-countervailable.

2. Provide information relating to your imports of plant, equipment and materials by completing the worksheet "**H-4 Imported Goods**". Has your company received exemption from payment, or refunds of import duty, for imported material inputs including technologies and equipment at any time that were used in the production of the goods during the investigation period? Please ensure this is clearly identified in the worksheet.

Response:

*Kroman reports the raw materials (i.e. billet) imported under IPR to be used in the production of rebar in **Attachment H-4-2**. To report the importation under IPR during the IP - without paying customs duties and other charges - Kroman extracted electronic realized import lists of each IPC from the online e-portal.*

After processing the raw material secondary/auxiliary processed products like slag are often produced. In such a case, these secondary products must also be either exported or the applicable customs duties and charges paid when it is sold in the domestic market pursuant to Article 20 of the IPR Regulation. Kroman paid all customs duty and stamp tax for secondary/auxiliary processed products.

3. Describe the application and approval procedures for obtaining a benefit under these programs.

Response:

As explained above, Kroman uses the online e-portal system of the Ministry of Economy which is linked to Customs to make an application. Kroman enters the products and quantities it intends to export, and then the product and quantity of imports required to produce the stated exports. The online system permits Kroman to import based on certain waste/yield ratios embodied in the system. Once the IPC is approved by the Ministry of Economy, Kroman receives a certificate (IPC) from the Ministry.

4. Where applicable, provide copies of the application form or other documentation used to apply for these programs, all attachments and all contractual agreements entered into between your business and the government in relation to the program.

Response:

Information such as importation, exportation, status, type of the IPC is kept in the online e-portal system. The application for a certificate and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic entry system. Kroman provides sample screenshots from the online e-portal system in Attachment H-4-4.

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving these programs.

Response:

There is not fees or expenses incurred.

6. Outline the eligibility criteria your business had to meet in order to receive benefits under these programs.

Response:

Eligibility criteria during the application for an IPC and closing off the IPC is to make and meet this export commitment. Failure to meet the export commitment in an IPC, results in very significant penalties and possible criminal prosecution under Turkish law.

7. State whether your eligibility for these programs was conditional on one or more of the following criteria:

- whether or not your business exports or has increased its exports;

- the use of domestic rather than imported inputs;
- the industry to which your business belongs; or
- the region in which your business is located.

Response:

See response to question H-4-6, above.

8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.

Response:

See response to question H-4-6, above.

9. What records does your business keep regarding each of the benefits received under these programs? Provide copies of any records kept in relation to the program.

Response:

Information such as importation, exportation, status, type of the IPC is kept in the online e-portal system. The application for drawback and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic entry system.

10. Indicate where benefits under these programs can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.

Response:

There is not any record in the accounting system since Kroman does not pay duties or tax upon importation.

11. To your knowledge, do these programs still operate or have they been terminated?

Response:

The program still operates.

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

Response:

Not applicable.

13. If any of these programs have been terminated and is being substituted for by another program, identify the program and answer all the questions in this part in relation to this program.

Response:

Not applicable.

14. Were the materials and/or equipment that were entitled to an exemption of import duty used in the production of the goods during the investigation period? If yes, provide the following information:

- type of inputs;
- cost of inputs;
- quantity of inputs; and
- amount of duty exempted.

Response:

See **Attachment H-4-2.**

15. Explain if (and how) the government determines which imported inputs are consumed by your business in the production of the subject goods and in what amounts, and the amount of duty paid or payable on the inputs (including any allowance for waste).

Response:

As explained in response to question H-4-1, above, the government has an online e-portal system in place which enables it to track importation and exportation to prevent any over-rebate or excess drawback.

16. Explain how the government determined the percentage rate of duty exemption.

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

- *goods incorporated into the exported goods; and*
- *energy, fuel, oil and catalysts that are used or consumed in the production of the exported goods.*

Response:

Import duties and value added tax ("VAT") for raw materials used in the production of exported products are all exempted.

17. Provide a representative sample of copies of import entry documents listed in worksheet "**H-4 Imported Goods**" (for example: bill of entry, invoice from supplier, etc.) for each type of importation covering duty-exempt or VAT exempt imports and duty-paid imports use in the manufacture of the subject goods.

Response:

Kroman provides sample of copies of import entry documents in Attachment

H-4-17.

18. In addition to the import entry documents, you must also provide copies, if applicable, of any applications submitted to and/or approval document received from the government relating to the exemption from the payment of import duty on imported inputs and in relation to the amount of benefit in relation to the exportation of the subject goods.

Response:

The application for drawback and tracking of imports and exports is all done on-line through the portal which is linked to the Turkish Customs authority electronic entry system. However, after acceptance of application, Ministry of Economy sends a correspondence regarding the issuance the IPC. See Attachment H-4-18 for the sample copy of said correspondence.

19. Provide copies of reports and audits by the government authority responsible for administering the import duty exemption scheme with respect to the verification of the importation and use of inputs and the remittance or drawback of the related duty paid or payable.

Response:

There are no such reports. Ministry of Economy examines each IPC to see whether a company meets export commitment against the quantity of imported goods by considering the waste ratios. If the commitments are met, afterwards the Ministry sends an official correspondence for each IPC confirming the closure of the IPC. See Attachment H-4-19 for the sample copy of said correspondence.

H-5 Preferential Loans/Financial Assistance (Programs 13 to 20)

It is our understanding that certain enterprises in Turkey benefit from low (subsidised) interest rates or credit facilities from state owned commercial banks (SOCB) and government banks.

If your business or a related business received benefits under any such program during the period **1 October 2014 to 31 September 2018**, answer the following questions.

Among listed Programs 13 to 20; Kroman used Program 17 – Rediscount Program.

1. Provide give a general overview of how your company secures necessary financial resources on the financial market (e.g. Loans, issuance of bonds etc.)

Response:

Kroman obtains loans.

Provide answers to the following questions in "H-5 Preferential Loans".

2. Provide a list of all the loans provided to your company from banks and financial institutions which have not been fully reimbursed by the end of the investigation period.

Response:

In Attachment H-5 Kroman provides all the loans which have not been fully reimbursed by the end of the IP.

3. Provide specific details of the loan, including the start date of the loan, the principal amount of the loan, terms and conditions of the loan, purpose of the loan, the repayment terms/frequency, repayment amount, interest rate, interest type (e.g. fixed, variable etc.), if the loan has been redrawn any time during its duration, please provide the redraw date, amount and the reason for redraw.

Response:

See Attachment H-5.

4. Indicate whether each bank is Turkish or foreign-owned and give the percentage of government ownership of each bank (including ownership by entities owned or controlled by a government).

Response:

Kroman provided information on the ownership of each bank in Attachment H-5. Please note that although [REDACTED] and [REDACTED] are owned by government, they act profit-oriented like other commercial banks. Thus, only rediscount loans obtained from Turk Eximbank should be deemed as preferential loans. In fact, as is evident from Attachment H-5, whereas average interest rate of the loans given by the government-owned banks (excluding Turk Eximbank) is [REDACTED]%; it is [REDACTED] % for the loans given by private banks. In other words, government-owned banks ([REDACTED] and [REDACTED]) are applying higher interest rates in comparison to other commercial private banks. Thus, there is not any preferential (subsidized) loans given by these government-owned banks.

5. In the case of each loan from government-owned or controlled bank, please explain the reason for borrowing from such a bank rather than a commercial bank. What are the differences in the terms and conditions loans between the government and commercial banks?

Response:

***Kroman prefers to use Turk Eximbank financing since the procedures for obtaining a loan [REDACTED]
[REDACTED] (Expression on why the reason for dealing with Turk Eximbank)***

6. Explain how the decisions to grant the loan or its conditions are dependent on the purpose of the loan and give details on the process your company went through to apply for the loan. Please provide detail on what conditions or criteria your company needed to fulfil to be granted the loan.

Response:

The loan is provided to Turkish manufacturers, exporters, and manufacturer-exporters with a maturity up to [REDACTED] days. An export commitment is required. Under this loan, promissory notes issued by exporters in favor of Turk Eximbank, which have the [REDACTED] of banks possessing a short-term letter of guarantee limit with Turk Eximbank are discounted. This program covers export transactions based on cash against documents, cash against goods, and irrevocable letters of credit.

For applying the loan; Kroman requests a commitment letter from the commercial bank in order to receive financing from the Turk Eximbank. As the commercial bank prepares the commitment letter, Kroman prepares the credit request form to be sent to Turk Eximbank for its review. If Turk Eximbank accepts the request, the commercial bank and Kroman mutually prepare and eventually sign a security bond (promissory note). The credit approval form itself is used as a legally binding contract, which is signed by Kroman and sent to Turk Eximbank. During this time, Kroman prepares a declaration, while the commercial bank prepares and signs a guarantee confirmation letter. The commercial bank collects its guarantee commission.

In rediscount loans all interest is deducted from the principal amount of the loan when it is issued. Since the interest is deducted in the receipt date, if Kroman receives a rediscount loan and prepares a promissory note that was availed (guaranteed) by a commercial bank with a face value of [REDACTED], Kroman would receive [REDACTED] on the receipt date because the lender discounts the promissory note at date of issuance (i.e., calculates and collects the interest in advance). On the maturity date of the rediscount loan, Kroman would repay the [REDACTED] under the terms of the note.

In addition to the up-front discount, Kroman also incurs an additional cost by paying a commission – [REDACTED] – to the commercial bank for the promissory notes availed by the commercial bank. The [REDACTED] cost also is reported in the H-5 Preferential loan table under “other expenses” column.

7. For each of the loans listed, provide copies of signed loan agreements between the bank which provided the loan and company which was the addressee of the loan specifying the conditions of the loan such as amount, term of repayment, interest rate etc. Also provide a copy of your application for the loan.

Note: If your company has more than one loan from same bank/financial Institution which were not repaid by the end of the investigation period and the loan agreements for these loans are standardised, it is sufficient **at this stage** to provide an English translation for one of them only (e.g. If your company has multiple loans from one particular bank which only differ in amounts you only need to translate one of them into English for your questionnaire response. However it is necessary to translate all credit line agreements from which loans not repaid by the end of the investigation period were drawn.

Response:

Kroman does not have a loan agreement. Kroman submits application form and other required documents like bond as a guarantee. Kroman provides one copy of application and approval set in **Attachment H-5-7 since the documents submitted in each application is the same.**

8. Please explain whether the granting of the specific loan depended on the link between the purpose of the loan and the goals specified in any government plan or development program. Provide a copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Also include a copy of any governmental or development plan of which the scheme represents a direct implementation.

Response:

As explicitly stated on Turk Eximbank's web-page, the purpose of the loan is to finance companies which exporting goods and foreign exchange earning services at advantageous conditions. See <https://www.eximbank.gov.tr/en/product-and-services/credits/short-term-export-credits/rediscount-credit-program#general-information> However, Kroman is not aware whether there is a link between purpose of Turk Eximbank loans and any government plan or development program. Kroman does not have any information on copy of the laws, regulations, administrative guidelines and any other acts relevant for the operation of this lending with any subsequent amendments. Kroman gets information on the specifications or requirements of the loans it used from Turk Eximbank from Turk Eximbank's web-page.

9. For each loan application, please explain the involvement of third parties such as government departments, local councils, party committees in the whole process since the application for the loan up to the decision whether the loan is granted or not.

Response:

There is not any involvement of third [REDACTED] parties. Kroman directly applies to Turk Eximbank and Turk Eximbank makes the decision whether granting the loan or not.

10. In the ““H-6 Preferential Loans”” spreadsheet, provide the information requested on guarantees for the loans provided to your company.

Response:

No guarantees are given for the loans received from Turk Eximbank.

11. Please give details of all loan applications during the investigation period which were refused; give the name of the bank, the amount of the loan requested and the reasons for refusal.

Response:

Not applicable. None of the loan applications were refused.

12. Provide any other information you may deem necessary for the commission to make an assessment on the subsidisation of producers/exporters of the product under investigation. You may adjust the table in the “Loans” tab as necessary to include this additional information.

Response:

As noted above, Kroman incurs an additional cost by paying a commission – [REDACTED] –to the commercial bank for the promissory notes availed by the commercial bank while receiving rediscount loan from Turk Eximbank.

Therefore, Kroman inserted a tab namely “other expenses” for reporting the [REDACTED] [REDACTED] it paid for receiving rediscount loan from Turk Eximbank into the preferential loan table.

In Attachment H-5, Kroman also provides weighed average benchmark interest rate calculated based on short-term USD commercial loans as rediscount loan of Turk Eximbank is also short-term USD loan. Kroman discounted the weighted average benchmark interest rate since the interest is also discounted upfront in the rediscount loans obtained from Turk Eximbank.

H-6 Direct Transfer of Funds (Program 21)

1. Complete the worksheet named “H-5 Transfers”
- This worksheet is a table of the grants received by company over the period plus the **TWO** preceding years.
 - You must provide this table in electronic format using the template provided.
 - If you have used formulas to complete this worksheet, these formulas must be retained.

Response:

Kroman benefitted from Program 21 – Industrial R&D Projects Grant Program and therefore provides the requested table in **Attachment H-6**.

Additionally, Kroman received immaterial amount of support from the Support and Stability Fund for participating in trade fairs in abroad.

Thus, below questions are separately responded for both of these two programs. 1 refers to Program 21 whereas 2 refers to “Support for participation in trade fairs in abroad.”

2. Provide a copy of your company’s non-operating income and/or other business income ledgers, extracted directly from your accounting system, for the period covering the period plus the **TWO** preceding years.

Response:

See Attachment H-6-2.

3. Did your company receive any grants (or any other financial contribution) from any level of government during the investigation period and the two preceding years?

Response:

Kroman received benefits from [REDACTED] (Government Institution) in 2016 and 2017.

Kroman received immaterial amount of support for participation in trade fairs in abroad in 2016 and 2018.

If yes:

- a. Were any of the grants related to any program listed in the table at the top of Section H above? If yes, identify the program.

Response:

The grant was related to program 21– Industrial R&D Projects Grant Program.

- b. Were any of the grants related to programs not listed in the table at the top of Section H above? If yes, provide the names of the programs.

Response:

The name of the program is “Support for participation in trade fairs in abroad.”

4. In relation to this program please address the following:

- a. What is the name of the grant?

Response:

1. *The name of the grant is “Industrial R&D Projects Grant Program”. Kroman received grants from [REDACTED] for two separate R&D projects which are not related with the production of subject merchandise.*

2. *The name of the program is “Support for participation in trade fairs in abroad.”*

b. What is the name of the authority providing the grant?

Response:

1. *(name of government authority)*

2. *(name of government authority)*

c. What is the eligibility criteria to receive the grant?

Response:

1. *Any project which is worthy of support can be supported. There are not any eligibility criteria based on region, sector or scale of a company. The projects are evaluated based on three criteria: i) the project’s R&D content and technological-innovative aspects; ii) the project plan and the company infrastructure; iii) economic and social benefits expected from the outcomes.*

2. *Participation to fairs in abroad.*

d. Is the grant directly related to the goods under consideration, export sales to Australia and/or export sales generally?

Response:

1. *No. The grant has been provided for R&D projects related with billet and plain wire rod production of Kroman. The R&D projects aim to develop quality and to diminish waste during the billet and rod plain wire production. Thus, grant is not directly related with export sales.*

2. *Kroman received support for participation in fair in [REDACTED]. The company exhibited all of its products in these fairs. The support is not related with export sales to Australia.*

e. Provide details of the application process.

Response:

1. The Kroman applied to [REDACTED] by filling out a pre-assessment (project application) form on [REDACTED] web page. After Kroman's application; independent experts/referees assigned to the project by [REDACTED] visited company and reviewed the project and prepared a report. Afterwards, the report was evaluated by the Technology Group Committee under [REDACTED] and was approved. Kroman also prepared technical reports on the process of the project each 6 month. The referee assigned by [REDACTED] followed up the project process by examining the technical report prepared by Kroman and paid on-site visits to see whether alleged expenses was made. Afterwards, Kroman submitted relevant invoices to [REDACTED] for R&D expenses made, and [REDACTED] paid the expenses of the project to Kroman.

2. Kroman made application to Exporters' Association Union within 3 months following the end date of the fair. Kroman submitted documents such as payment documents for both construction and decoration, transportation services, travel tickets, etc. for proving its participation to the fair and some other official documents related with company like capacity report, circular of signature, etc.

- f. Provide a copy of the blank application form. If the documents are not in English, please provide a translation of the documents.

Response:

1. See **Attachment H-6.4.f**.
2. There is no application form.

- g. Provide a copy of your company's completed application form, including all attachments to the application form. If the documents are not in English, please provide a translation of the documents.

Response:

1. See **Attachment H-6.4.f** for the application forms of two R&D projects in Turkish. As the applications include lots of detailed technical information and explanations, Kroman only translated some sections of the forms to enable the Commission to comprehend the nature of the projects.

- h. Provide a copy of any confirmation or other correspondence from the authority approving the grant. If the documents are not in English, please provide a translation of the documents.

Response:

1. See **Attachment 6-4-h** for project approval documents.

2. There is no confirmation correspondence. Kroman provides bank statements in Attachment 6-4-i.

- i. Provide evidence of any payments received by your company in respect of receiving the grant (e.g. bank statements).

Response:

See Attachment 6-4-i for bank slips for both programs showing the payment received.

- j. Provide a copy of the accounting journal entries relating to the grant.

Response:

See Attachment 6-4-j for the copy of accounting journal entries for both programs.

- k. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the grant.

Response:

No fees charged.

H-7 Other Category Programs (Programs 22 to 24)

Kroman benefited social security premium support (employer's share) under "Law on supporting Research and Development Activities" (Law No. 5746). Half of the social security premium of employer's share for R&D personnel are paid by the government. Questions on the nature of the support program of Law 5746 are responded in Program 6 and Program 21. The amount of the support is TL [REDACTED] which is very negligible as the number of R&D personnel is not that much.

Kroman also benefitted from some social security premium payment support programs like "minimum wage support", "employment of handicapped staff" which are implemented country-wide and found non-countervailable by US. Department of Commerce. Kroman, therefore, does not respond questions for these non-specific social security premium support programs. Kroman provides information on these social security premium support programs under "other programs" section as these are not subsidy programs need to be countervailed.

Public record version

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions in category H-7 in relation to this program

H-8 Investment Incentive Program (Program 25)

The application refers to the Investment Encouragement Program implemented by Customs Duty and VAT Exemptions Council Ministers' Decree 2012/3305. The existence of this program was identified as Program No. 1 - Investment Incentive Program by the Government of Turkey in its *New and Full Notification Pursuant to Article XVI:1 of the GATT 1994 and Article 25 of the Agreement on Subsidies and Countervailing Measures* (the notification), dated 31 August 2017. The notification outlines the policy objective of this program.

The notification lists four different incentive schemes and nine different exemption measures that are in the scope of the program. These schemes and measures as set out in the notification are provided below. For the purpose of this questionnaire, each scheme listed in the Government of Turkey's notification will be treated as a program.

Response:

Kroman [REDACTED] has not obtained any investment incentives pursuant to Customs Duty and VAT Exemptions Council Ministers' Decree 2012/3305. Therefore, this entire section is not applicable to Kroman [REDACTED]

| Scheme No. | Program (Scheme) Name | Measures |
|-------------------|---|---|
| I. | General Investment Incentive Scheme | i. Customs duty exemption ii. VAT exemption iii. Income Tax Withholding Support (Only for Region 6) |
| II. | Regional Investment Incentive Scheme | i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Interest support (For Region 3,4,5 and 6) vi. Land allocation vii. Social security premium support -Employee's share (Only for Region 6) viii. Income Tax Withholding Support (Only for Region 6) |
| III. | Large Scale Investment Incentive Scheme | i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Land allocation vi. Social security premium support -Employee's share (Only for Region 6) vii. Income Tax Withholding Support (Only for Region 6) |
| IV. | Strategic Investment Incentive Scheme | i. Customs duty exemption ii. VAT exemption iii. Tax deduction iv. Social security premium support - Employer's share v. Interest support (For Region 3,4,5 and 6) vi. Land allocation vii. VAT Refund viii. Social security premium support -Employee's share (Only for Region 6) ix. Income Tax Withholding Support (Only for Region 6) |

To the extent that any of the schemes and measures listed above are separately identified in Table H-1 please indicate this in your response to the questions from Section H in relation to the particular program. Otherwise complete a response to the following for each program.

1. Indicate whether your company benefited from any of the programs listed above.
2. If yes, indicate which goods you produced that benefited from the program (e.g. the program may have benefited all production, or only certain products that have undergone research and development).
3. Describe the application and approval procedures for obtaining a benefit under the program.
4. Where applicable, provide copies of the application form or other documentation used to apply for the program, all attachments and all contractual agreements entered into between your business and the Government of Turkey in relation to the program.

Public record version

5. Outline the fees charged to, or expenses incurred by your business for purposes of receiving the program.
6. Outline the eligibility criteria your business had to meet in order to receive benefits under this program.
7. State whether your eligibility for the program was conditional on one or more of the following criteria:
 - a) whether or not your business exports or has increased its exports;
 - b) the use of domestic rather than imported inputs;
 - c) the industry to which your business belongs; or
 - d) the region in which your business is located.
8. If the benefit was provided in relation to a specific activity or project of your entity, please identify the activity and provide supporting documentation.
9. What records does your business keep regarding each of the benefits received under this program? Provide copies of any records kept in relation to the program.
10. Indicate where benefits under the program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements.
11. To your knowledge, does the program still operate or has it been terminated?
12. If the program has been terminated, please provide details (including when and why). When is the last date that your business could apply for or claim benefits under the program? When is the last date that your business could receive benefits under the program?

H-9 Other Programs

1. Provide a list of all the provinces in which you have business operations (including locations of factories, sales offices, or other places of business).

Response:

Kroman operates in Kocaeli district. (Detail on Other group company site)

2. Are you aware of any programs of the Government of Turkey, any of its agencies or any other authorised body, that provide benefits manufacturers of the goods that have not been accounted for in this questionnaire? Provide the name of those programs you are aware of (even if your company is not eligible to receive benefit under the program.)

Response:

To be fully cooperative, Kroman would like to report support programs below which have been found non-countervailable in countervailing duty investigations conducted by the US Department of Commerce.

- ***Minimum Wage Support; some portion of employers' share is covered by Treasury to reduce the employment cost of companies which employs disability, old-age and death-insured employees without discriminating any sector, region or company.***

- *Employment of Handicapped Staff; some portion of employers' share is covered by Treasury to encourage businesses to employ handicapped personnel without discriminating any sector, region or company.*
- *Employment of Unemployed; some portion of employers' share is covered by Treasury to reduce the unemployment level without discriminating any sector, region or company.*
- *5 % Deduction of Employers' Share of Social Security Premiums; employers may deduct 5 % of their share of social security payments provided that the certain conditions are met. The three criteria are: (a) employer's timely submission of required documents for premiums and service to the Social Security Administration; (b) the employer's payment of premiums corresponding to the insured employee's share which are not covered by the Treasury (Employer's share after deduction of five percent Treasury contribution) for all insured employees are made within legal time limits; and (c) the absence of any debt to the Government for premium, administrative fine or related late fees or penalties for delay to the Social Security Administration. This deduction is implemented without discriminating any sector, region or company.*

Above listed programs are being implemented country-wide and therefore not specific to any sector, region or company.

In addition to these unspecific support programs, Kroman also received assistance from MESS (Turkish Employers' Association of Metal Industries) which is not a government authority. Thus, the assistance received from MESS cannot be deemed as a subsidy as there is involvement of any government authority. (US Department of Commerce also found accordingly.)

Apart from above listed programs; Kroman is not aware of any other programs of the Government of Turkey. Therefore, remaining questions are not responded.

3. Indicate the location of the program by region, province or municipal level.

Response:

There is no specific location of the above listed programs. See response to question H-9-2 above.

4. Indicate the type of program, for example:

- the provision of grants, awards or prizes;

Public record version

- the provision of goods or services at a reduced price (e.g. electricity, gas, 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.

Response:

See response to question H-9-2 above.

For **each program** that you have identified, answer the following.

Response:

See response to question H-9-2 above. Thus, remaining questions are not responded.

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

Public record version

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

If the program terminated has been substituted for by another program, identify the program and answer all the questions that may be relevant to this new program.

EXPORTER'S DECLARATION

I hereby declare that.....(company)
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 :.....

Signature :.....

Position in

Company :.....

Date :.....

APPENDIX GLOSSARY OF TERMS

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

Adjustments

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

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

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

Arms length

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

Constructed value

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

Cost of production/manufacturing

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

Cost to make and sell

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

Country of origin

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

Date of sale

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

Direct labour cost

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

Dumping

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

Dumping margin

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

Export price

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

Exporting country

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

Factory overheads

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

Goods under consideration (the goods)

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

Incoterms

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

| | |
|-----|--|
| EXW | ex works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises) |
| FCA | free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc. paid if required) |
| FAS | free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship) |
| FOB | free on board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation) |
| CFR | cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation) |
| CIF | cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance) the terms CFR and CIF are only used where goods are carried by sea or waterway transport |
| CPT | carriage paid to |
| CIP | carriage and insurance paid to the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc. |
| DAF | delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to |

| | |
|-----|---|
| | place the goods at the customer's disposal) |
| DES | delivered ex ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country) |
| DDU | delivered duty unpaid (Pay all costs for carriage to the agreed point, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country) |
| DDP | delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc. incurred upon importation) |

The period

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

Like goods

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

Normal value

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

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

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

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

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

Ordinary course of trade

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

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

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in

sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

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

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

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