



## Importer Verification Report

### Verification & Case Details

<b>Initiation Date</b>	1 October 2019	<b>ADN</b>	2019/122
<b>Case</b>	Resealable Can End Closures from Malaysia by Federal Metal Printing Factory Sdn Bhd		
<b>Case Number</b>	527		
<b>Company</b>	Visy Packaging Pty Ltd		
<b>Location</b>	Desktop		
<b>Review Period</b>	01/10/2018	<b>to</b>	31/09/2019

THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN  
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT  
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION

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## **1 COMPANY BACKGROUND**

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

Visy Packaging Pty Ltd (Visy Packaging) is a wholly owned subsidiary of Visy Industries Australia.

Visy Packaging are an importer of resealable can end closures (referred to as tagger, ring and foil (TRF) ends or TRFs) however, it does not on-sell the TRFs as an individual component. Visy Packaging attach the TRF to a steel can and sell the completed can to customers.

### **1.2 Related parties**

The verification team examined the relationships between related parties involved in the importation and sale of the goods.

The verification team found that Visy Packaging does not have any related party customers or suppliers of the goods during the review period.

## **2 THE GOODS**

### **2.1 The goods**

Visy Packaging confirmed that it imported TRFs from Malaysia during the review period matching the description of the goods that are the subject of this review.

During the period Visy Packaging imported TRFs with a diameter of 127 mm and 153 mm.

### **2.2 Like goods**

The importer agreed that the Australian Industry produced like goods to the goods that it imported during the review period.

Subsequent to the commencement of this review, an application for exemption of dumping duties for TRFs with diameters not less than 103 mm (the exemption goods) made by Visy Packaging was granted. Although the exemption goods are now exempt from dumping duties, the exemption goods are considered to be like goods for the purpose of calculating normal value and export price in this review, given the likenesses in physical, commercial, functional and production characteristics with the goods.

### **3 VERIFICATION OF IMPORTS**

#### **3.1 Import listing**

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

The verification team calculated the weighted average FOB export price at **Confidential Appendix 1**.

Visy provided commercial invoices, packing lists, bills of lading, freight forwarding invoices, and payment advice, evidencing their orders and payments from Federal Metal Printing Factory (Federal Metal).

#### **3.2 Verification of CTIS allocation**

The verification team verified the reasonableness of the method used to allocate the cost to the import and sell (CTIS) provided in the questionnaire response.

<b>Cost area</b>	<b>Method applied</b>
Ocean freight	Based on the actual ocean freight cost as per invoice by freight forwarder.
Marine insurance	Based on actual insurance as per invoice by freight forwarder.
Customs fees	Based on the actual custom fee cost as per invoice by freight forwarder.
Importation costs (including loading, terminal, timeslot, wharfage, processing and documentation fees)	Based on the actual costs as per invoice by freight forwarder.
Delivery	Based on the actual delivery cost as per invoice by freight forwarder.

**Table 1 Verification of cost calculation method**

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

#### **3.3 Verification of CTIS accuracy**

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

The verification team identified the issues outlined below during this process. Details of this verification process are contained in the verification work program and its relevant attachments, at **Confidential Attachment 1**.

**3.3.1 Exceptions during verification of CTIS accuracy**

<b>No.</b>	<b>Exception</b>	<b>Resolution</b>
1	The insurance costs for one shipment was incorrectly entered.	The verification team used the source documentation to revise the insurance cost value.

**Table 2 Exceptions during verification of accuracy of CTIS data**

**3.4 Forward orders**

The verification team verified Visy Packaging’s forward orders by reconciling the listing provided in the questionnaire response to the company’s records. The verified list of forward orders is at **Confidential Appendix 2**.

**3.5 CTIS verification finding**

The verification team is satisfied that the CTIS provided by Visy Packaging, including any required amendments as outlined in the exception table above, is accurate.

A table detailing the weighted average unit CTIS is at **Confidential Appendix 3**.

## 4 EXPORT PRICE

### 4.1 The importer

The verification team considers Visy Packaging to be the beneficial owner of the goods at the time of importation and therefore the importer of the goods, as Visy Packaging is:

- named on the commercial invoice from its supplier;
- declared as the importer on the importation declaration to ABF;
- pays for all the importation charges; and
- arranges delivery from the port.

### 4.2 The exporter

The goods were imported to Australia by Visy Packaging. Subject to further inquiries, the verification team considers Federal Metal to be the exporter of the goods<sup>1</sup>, as Federal Metal is:

- named on the commercial invoice and packing lists; and
- named as consignor on the bill of lading.

### 4.3 Profitability of imports

As Visy further processed the imported goods and did not on-sell TRFs in the Australian market, the verification team did not verify the profitability of TRFs as an individual component. Instead, the verification team obtained alternative evidence by reference to Visy Packaging's accounting records to verify the overall profitability of the Visy Packaging's food can section.

The verification team's assessment is at **Confidential Appendix 3**.

### 4.4 Related party suppliers

The verification team did not find any evidence that Visy Packaging is related to its supplier of TRFs exported from Malaysia during the review period.

### 4.5 Arms length

In respect of imports of TRFs to Australia by Visy Packaging during the review period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller.

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<sup>1</sup> The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

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

#### **4.6 Export price assessment**

The verification team is of the opinion that for the goods imported by Visy Packaging from Federal Metal:

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

Subject to further inquiries with this exporter, the verification team recommends that the export price for TRFs imported by Visy Packaging from Federal Metal can be established under s.269TAB(1)(a) of the *Customs Act 1901*, using the invoiced price, less transport and other costs arising after exportation.



**5 ATTACHMENTS**

<b>Confidential Appendix 1</b>	Export price
<b>Confidential Appendix 2</b>	Forward orders
<b>Confidential Appendix 3</b>	Profitability
<b>Confidential Attachment 1</b>	Verification work program