



Importer Verification Report

Verification & Case Details

Initiation Date	24 February 2020	ADN:	2020/018 & 2020/019
Case Number	540 541		
The goods under consideration	Aluminium Extrusions (Mill Finish) Aluminium Extrusions (Surface Finish)		
Case type	Investigation		
Importer	Criterion Industries Pty Ltd		
Investigation Period	1 January 2019 to 31 December 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

Criterion Industries Pty Ltd (Criterion) is a privately owned supplier of aluminium partitioning systems, sliding systems, doors, and hardware accessories.

Due to the nature of Criterion's business, it performs additional value-adding processes on the goods that it imports from Malaysia and does not sell the goods in the condition in which they were imported.

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 Criterion did not have any related party customers or suppliers of the goods during the investigation period.

2 THE GOODS

2.1 The goods

Criterion confirmed that it imported mill finished and surface finished aluminium extrusions from Malaysia during the investigation period matching the description of the goods that are the subject of the investigations.

2.2 Model control codes (MCCs)

Criterion provided cost data in accordance with the MCC structure detailed in Anti-Dumping Notices (ADN) No. 2020/018 and No. 2020/019.

2.3 Verification of MCCs

Table 1 below provides detail on how the MCC sub-categories were determined and verified to source documents.

Category	Determination of the sub-category
Finish	Based on the finish type shown on the exporter's commercial invoice.
Alloy	Based on the alloy type shown on the exporter's commercial invoice.
Temper Code	Based on the temper code shown on the exporter's commercial invoice.
Anodising Microns	Based on the anodising microns shown on the exporter's commercial invoice.

Table 1 MCC sub-category determination

2.4 The goods imported to Australia

The verification team were satisfied that Criterion imported goods with the following MCCs during the investigation period:

- M-6A-T1
- PC-6A-T1
- A-6A-T1-1

2.5 Like goods

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

3 VERIFICATION OF IMPORTS

3.1 Import listing

The verification team 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 investigation period.

The verification team calculated the weighted average free-on-board (FOB) export price by supplier at **Confidential Appendix 1**.

3.2 Verification of cost to import and sell (CTIS)

Prior to the verification, the Commission selected twelve shipments for Criterion to complete the cost to import and sell (CTIS) spreadsheet of the importer questionnaire.

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

- commercial invoice and packing list from its supplier;
- customs entry form; and
- remittance advice.

3.3 CTIS allocation method

The verification team verified the reasonableness of the method used to allocate the CTIS provided in the questionnaire response.

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**.

3.4 Verification of CTIS accuracy

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

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 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**.

3.5 CTIS verification finding

The verification team is satisfied that the CTIS provided by Criterion is accurate.

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

4 EXPORT PRICE

4.1 The importer

The verification team considers Criterion is the beneficial owner of the goods at the time of importation and therefore the importer of the goods on the basis that Criterion was;

- named on the commercial invoice issues by its Malaysia supplier;
- named as the consignee on the bill of lading;
- named as the consignee on the AANZFTA Certificate of Origin issued in Malaysia,
- named as the consignee of the goods on the Malaysia supplier's certificate of marine insurance; and
- declared as the importer on the importation declaration to ABF.

4.2 The exporter

Subject to further inquiries, the verification team considers Criterion's Malaysian supplier to be the exporter of the goods¹, as the supplier:

- has been identified as the manufacturer of the goods;
- is named on the commercial invoice as the supplier of the goods purchased by Criterion;
- named as consignor on the bill of lading;
- named as the consignor on the AANZFTA Certificate of Origin issued in Malaysia,
- arranges and pays for the inland transport to the port of export;
- arranges and pays for the port handling charges at the port of export; and
- covers the cost of ocean freight and marine insurance from the port of export to the Australian port of arrival;
- covers the importation costs from the Australian port of arrival to the place of delivery in Australia; and
- Criterion purchased the goods directly from its Malaysian supplier.

4.3 Profitability of imports

As Criterion does not sell the goods in the condition in which they are imported, the verification team was unable to determine the profitability of the imports.

¹ 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.

4.4 Related party suppliers

The verification team did not find any evidence that Criterion is related to its supplier of the goods exported from Malaysia during the investigation period.

4.5 Arms length

In respect of imports of the goods to Australia by Criterion during the investigation 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.

Therefore, subject to further inquiries, the verification team is satisfied that the imports between Criterion 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 Criterion from Malaysia:

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

In respect of Australian sales of the goods by Criterion's Malaysian supplier (the exporter), the verification team recommends that the export price be determined under section 269TAB(1)(a), as the price paid for the goods by the importer, other than any part of that price that represents a charge in respect of the transport of the goods after exportation or in respect of any other matter arising after exportation.

Specifically, the verification team recommends that the appropriate method of calculating the FOB export price as the price paid by Criterion, as stated on commercial invoices, less relevant costs to the FOB level, i.e. the sum of Australian importation costs, marine insurance and ocean freight.

5 ATTACHMENTS

Confidential Appendix 1	Export Price
Confidential Appendix 2	CTIS
Confidential Attachment 1	Verification Work Program