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## Exporter Questionnaire: the Federative Republic of Brazil and the Kingdom of Thailand

**Case number:** 551

**Product:** A4 copy paper

**From:** the Federative Republic of Brazil, the People's Republic of China, the Republic of Indonesia (except PT. Indah Kiat Pulp & Paper Mills, PT. Pabrik Kertas Tjiwi Kimia Tbk and PT. Pindo Deli Pulp & Paper Mills) and the Kingdom of Thailand

**Review period:** 1 January 2019 to 31 December 2019

**Response due by:** **23 May 2020**

**Return completed questionnaire to:**  
[investigations2@adcommission.gov.au](mailto:investigations2@adcommission.gov.au)

**Anti-Dumping Commission website:** [www.adcommission.gov.au](http://www.adcommission.gov.au)

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## INSTRUCTIONS

### Why you have been asked to fill out this questionnaire?

The Anti-Dumping Commission (the Commission) is conducting a review of the anti-dumping measures (in the form of a dumping duty notice and a countervailing duty notice) applying to certain A4 copy paper (the goods) exported to Australia from the Federative Republic of Brazil (Brazil), the People's Republic of China (China), the Republic of Indonesia (Indonesia) (except by PT. Indah Kiat Pulp & Paper Mills, PT. Pabrik Kertas Tjiwi Kimia Tbk and PT. Pindo Deli Pulp & Paper Mills) and the Kingdom of Thailand (Thailand).

The Commission will use the information you provide to determine whether the normal values and export prices have changed.

### 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 Commission 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 Commission, 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.

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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 public record version of your questionnaire 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 questionnaires are required to have a bracketed explanation of deleted or blacked out information for the public record version of the questionnaire. 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

On 20 March 2020, the Commission published Anti-Dumping Notice No. 2020/029,<sup>1</sup> advising that onsite exporter verification activities have been temporarily suspended until further notice as a result of the COVID-19 pandemic.

The Commission remains committed to ensuring that data submitted by parties is complete, relevant and accurate. If an onsite visit is not possible, the Commission may elect to undertake alternative verification activities. This includes but is not limited to remote verification, desktop assessments or delaying verification activities until such time as onsite verification is possible. The Commission will continue to monitor current events and assess when the suspension of onsite exporter verification activities can be lifted.

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<sup>1</sup> [https://www.industry.gov.au/sites/default/files/adc/public-record/notice\\_adn\\_-\\_adn\\_2020-029\\_-\\_temporary\\_suspension\\_of\\_international\\_onsite\\_verification\\_0.pdf](https://www.industry.gov.au/sites/default/files/adc/public-record/notice_adn_-_adn_2020-029_-_temporary_suspension_of_international_onsite_verification_0.pdf)

## **PUBLIC RECORD**

A verification visit, or any verification activity 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.

Onsite verification is usually conducted over 4 days, remote and desktop verification may take a longer period of time. In complex cases, a verification visit, if conducted, may be scheduled over 5 days. A desktop verification may require a longer period.

Any verification activity 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, should an onsite visit be possible, 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 activity.

A report will be prepared following the verification activity, which details the outcomes of the verification. This report will be placed on the public record and may include the publication of the preliminarily-assessed dumping and subsidy margin. The Commission considers that the dumping margin and subsidy 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.

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-4.6)
- 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 Commission to request access to SIGBOX if required.

## CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

<b>Section</b>	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 & 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"/>
Exporter's declaration	<input type="checkbox"/>
Non-confidential version of this response	<input type="checkbox"/>

<b>Attachments</b>	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-3.A Domestic CTM – Pulp	<input type="checkbox"/>
G-3.B Domestic CTM – Wood chip	<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-5.A Australian CTM – Pulp	<input type="checkbox"/>
G-5.B Australian CTM – Wood chip	<input type="checkbox"/>
G-7 Raw material purchases	<input type="checkbox"/>
G-8 Upwards costs	<input type="checkbox"/>
G-9 Capacity utilisation	<input type="checkbox"/>

## GOODS SUBJECT TO ANTI-DUMPING MEASURES

The goods subject to the anti-dumping measures are:

*uncoated white paper of a type used for writing, printing or other graphic purposes, in the nominal basis weight range of 70 to 100 gsm and cut to sheets of metric size A4 (210mm x 297mm) (also commonly referred to as cut sheet paper, copy paper, office paper or laser paper).*

At the time of the original investigation, the applicant provided the following additional information to clarify the scope of the goods description:

*The paper is not coated, watermarked or embossed and is subjectively white. It is made mainly from bleached chemical pulp and/or from pulp obtained by a mechanical or chemi-mechanical process and/or from recycled pulp.*

### Tariff classification

The goods are generally, but not exclusively, classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*.

Tariff Subheading	Statistical Code	Description
4802		UNCOATED PAPER AND PAPERBOARD, OF A KIND USED FOR WRITING, PRINTING OR OTHER GRAPHIC PURPOSES, AND NON PERFORATED PUNCH-CARDS AND PUNCH TAPE PAPER, IN ROLLS OR RECTANGULAR (INCLUDING SQUARE) SHEETS, OF ANY SIZE, OTHER THAN PAPER OF 4801 OR 4803; HAND-MADE PAPER AND PAPERBOARD:
4802.56		Weighing 40 g/m <sup>2</sup> or more but not more than 150 g/m <sup>2</sup> , in sheets with one side not exceeding 435 mm and the other side not exceeding 297 mm, in the unfolded state:
4802.56.10		<i>Printing and writing paper, 297 mm x 210 mm (A4 paper): Weighing 40 g/m<sup>2</sup> or more but less than 90 g/m<sup>2</sup>:</i>
	03	<i>White</i>
	09	<i>Weighing 90 g/m<sup>2</sup> or more but not more than 150 g/m<sup>2</sup></i>

These tariff classifications and statistical codes may include goods that are both subject and not subject to the anti-dumping measures. The listing of these tariff classifications and statistical codes is for reference only and do not form part of the goods description.



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**Model Control Code**

Details of the model control code (MCC) structure for the goods are provided in the table below. Export sales data (Section B-2), domestic sales data (Section D-2) and cost to make and sell data (Sections 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.

Category	Sub-category	Identifier	Sales data	Cost data
Weight (grams per square metre (gsm))	70 gsm	70	Mandatory	Mandatory
	> 71 gsm to 80 gsm	80		
	> 81 gsm to 85 gsm	85		
	> 85 gsm to 90 gsm	90		
	> 91 gsm to 100 gsm	100		
Recycled content	100%	R100	Mandatory	Mandatory
	50% to 99%	R50		
	30% to 49%	R30		
	1% to 29%	R10		
	0%	N		

In constructing a MCC, use a "-" between each category. For example: 70-R100.

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 domestic sales in the ordinary course of trade by comparing domestic selling prices to the corresponding cost to make and sell. The MCCs 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.

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### General Introduction

This questionnaire response to the questionnaire in the review of measures applying to A4 copy paper exported from Brazil is made on behalf of International Paper do Brasil Ltda. ("IP Brasil") and International Paper Exportadora Ltda. ("IPEX").

IP Brasil and IPEX are companies located in Brazil. IP Brasil operates three paper mills in Brazil where it manufactures various paper products, including the subject goods, and also the packaging operations. All domestic sales of A4 copy paper in Brazil during the investigation period were made by IP Brasil. As such, all references to domestic sales in this questionnaire response relate to sales made by IP Brasil.

In the case of exports of A4 copy paper, [REDACTED] [trading relationship]. Please refer to "Confidential Exhibit B-2(e) – [REDACTED]" for a copy of that agreement. IPEX then exports the products manufactured by IP Brasil to countries in Latin America, the Caribbean, Europe, Asia and Oceania. During the investigation period, IPEX exported A4 copy paper to [REDACTED].

## SECTION A COMPANY INFORMATION

### A-1 Company representative and location

1. Please nominate a contact person within your company:

Name: [REDACTED]  
Position in the company: [REDACTED]  
Telephone: [REDACTED]  
E-mail address: [REDACTED]

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

Name: John Bracic  
Address: PO Box 3026, Manuka ACT 2603  
Telephone: +61 (0)499 056 729  
E-mail address: john@jbracic.com.au

3. Please provide the location of the where the company's financial records are held.  
Please note that IPEX is headquartered in the same office building in Sao Paulo as IP Brasil. All sales and cost accounting records for IPEX and IP Brasil are kept at offices in Mogi Guaçu.

4. Please provide the location of the where the company's production records are held.  
Production records for IP Brasil are kept at offices in Mogi Guaçu.

### A-2 Company information

1. What is the legal name of your business?

The legal names of the relevant companies are International Paper do Brasil Ltda. and International Paper Exportadora Ltda. IP Brasil and IPEX are indirect subsidiaries of International Paper Company ("International Paper"), a publicly-traded, global paper and packaging company, headquartered in Memphis, Tennessee, USA.

As explained in the introduction, the subject goods are produced [REDACTED] [trading relationship], which then arranges for the goods to be exported to Australia and other export markets.

2. Does your company trade under a different name and/or brand? If yes, provide details.  
No.

3. Was your company ever known by a different legal and/or trading name? If yes, provide details  
No.

4. Provide a list of your current board of directors and any changes in the last two years.  
Refer to **Exhibit A-2.4 - List of board of directors**.

5. Is your company part of a group (e.g. parent company with subsidiaries, common ownership, joint-ventures)? If yes, provide:
- A diagram showing the complete ownership structure; and
  - A list of all related companies and its functions

Please refer to "**Confidential Exhibit A-2.5 – Corporate group structure**" for an overview of the ownership linkages from International Paper to IP Brasil and IPEX.

6. Is your company or parent company publically listed?

If yes, please provide:

- The stock exchange where it is listed; and
- Any principle shareholders<sup>2</sup>

If no, please provide:

- A list of all principal shareholders and the shareholding percentages.

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<sup>2</sup> Principal shareholders are those who are able to cast, or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company.

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Yes. The ultimate parent company, International Paper Company, is listed on the New York Stock Exchange. Principal shareholders and shareholding as at 31 December 2019 are listed below.

Holder	Shares	Date Reported	% Out	Value
Vanguard Group, Inc. (The)	46,838,540	Dec 30, 2019	11.91%	2,156,914,767
Blackrock Inc.	37,923,631	Dec 30, 2019	9.64%	1,746,383,207
State Street Corporation	24,288,260	Dec 30, 2019	6.17%	1,118,474,373
Wellington Management Company, LLP	19,844,627	Dec 30, 2019	5.04%	913,845,073

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.

International Paper's global business operations are separated into four segments:

- Industrial Packaging (containerboard and corrugated packaging);
- Printing Papers (uncoated paper);
- Consumer Packaging (including packaging for pharmaceuticals, cosmetics, candy, and food items); and
- Distribution.

International Paper's global business operations encompass five regions:

- North America (with global headquarters in Memphis, Tennessee);
- Latin America (with regional headquarters in Mogi Guaçu, Brazil);
- Europe, the Middle East and Africa ("EMEA/Russia") (with regional headquarters in Brussels, Belgium);
- Asia (with regional headquarters in Shanghai, China); and
- India (with regional headquarters in Hyderabad).

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.

IP Brasil performs the functions of manufacturer and seller on the domestic market in Brazil. IPEX performs the functions of an exporter to Australia and other third country export markets.

9. Provide your company's internal organisation chart.

Please refer to **Exhibit A-2.9 – Organisation Chart**. As indicated in the chart, IP Brasil's operations are structured by function, with the following departments:

- Corporate Communications;
- Finance;
- Information Technology;
- Human Resources;
- Legal and Compliance;
- Commercial (which includes domestic sales and export sales by IPEX);
- Manufacturing; and
- Government Relations and Sustainability.

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

Please refer to **Exhibit A-2.9 – Organisation Chart** for details of group functions.

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

Please also refer to "**Exhibit A-2.11 – Product catalogue**" for an overview of product range. Further details of the product range supplied by IP Brasil can be found at <http://www.internationalpaper.com/products/south-america>

### A-3 General accounting information

1. What is your financial accounting period?

The accounting period for both IP Brasil and IPEX is the calendar year.

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

Yes. [REDACTED].

3. What currency are your accounts kept in?

Brazilian reais

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

[REDACTED]

5. What is the name of your sales system?

[REDACTED]

6. What is the name of your production system?

[REDACTED]

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.

Not applicable.

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

No. IP Brasil and IPEX follow generally accepted accounting principles ("GAAP") in Brazil.

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

No.

### A-4 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.

Refer to **Exhibit A-4.1 – Audited financial statements**

2. If the financial statements in A-4.1 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.

Not applicable.

3. Does your company maintain different profit centres? If yes, provide profit and loss statements for the profit centre that the goods fall into for:

(a) the most recent financial year; and

(b) the review period.

No.

4. If the review 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 review period; or

(b) Quarterly or half yearly income statements directly from your accounting system covering the most recent financial period and the review period.

Not applicable as review period and the accounting period for IP Brasil and IPEX are the same. Refer to **Exhibit A-4.4 – 2019 Income Statement**.

5. Please provide a copy of your company's trial balance (in Excel) covering the review period and the most recent financial year.

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Refer to **Exhibit A-4.5 – Trial Balance**.

6. Please provide your company's chart of accounts (in Excel).  
Refer to **Exhibit A-4.6 – Chart of Accounts**.

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

## SECTION B EXPORT SALES TO AUSTRALIA

If your company exported low or no volumes of the goods to Australia during the review period, please contact the Commission as soon as possible. You may be required to complete this section (and G-5) as it relates to export sales to a country other than Australia. You may also be asked other supplementary questions. Extensions will not be granted as a result of delays in contacting the Commission in this regard.

### 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

IPEX consigns the subject goods on a full container load basis to the Australian ports designated by Jackaroo, in accordance with orders received and established trading terms.

#### Aust. Channel 1: goods shipped directly from the mill to the port of export

The unaffiliated Australian customer sends IPEX's sales department a purchase order. If the sales department approves the purchase order, IPEX enters the information into the system, arranges for production at one of the paper mills, and sends the customer an order confirmation.

If the terms of sale change after the issuance of the original order confirmation, IPEX issues a new order confirmation. Production generally takes [REDACTED] days. After production, the merchandise is loaded onto containers for shipment and delivered by truck to the port of export. In accordance with Brazilian law, IPEX issues an internal invoice per truckload/container when the truck departs the mill.

IPEX then issues the commercial invoice to the customer when the cargo vessel departs the port of export. More than one internal invoice may correspond with a single commercial invoice.

#### Aust. Channel 2: goods shipped from [REDACTED] to the port of export

The unaffiliated Australian customer sends IPEX's sales department a purchase order. If the sales department approves the purchase order, IPEX enters the information into the system, arranges for production at one of the paper mills, and sends the customer an order confirmation.

If the terms of sale change after the issuance of the original order confirmation, IPEX issues a new order confirmation. [REDACTED]

[REDACTED]. [Confidential terms of export sale] When shipment is approved, the merchandise is loaded onto containers and delivered by truck to the port of export. In accordance with Brazilian law, IPEX issues an internal invoice per truckload/container when the truck departs the warehouse. IPEX issues the commercial invoice to the customer when the cargo vessel departs the port of export. More than one internal invoice may correspond with a single commercial invoice.

2. In what currency do you invoice your customers for goods exported to Australia? Invoices are denominated in [REDACTED]. If it is not in your local currency:
  - (a) Do your customers pay you into a foreign currency denominated account? If yes, provide details; [REDACTED]. Refer to commercial invoices for account details.
  - (b) Do you use forward contracts to lock in the foreign exchange rate relating to the export sales? [REDACTED]. If yes, provide details;

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(c) How is the exchange rate determined in your accounting system and how often is it updated? Our accounting system uses FX rates from [redacted] based on closing quotation. Reference: [Link redacted]

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

The sole Australian customer, Jackaroo Paper, is not related to IP Brasil.

4. If sales are in accordance with price lists or price extras list, provide copies of these lists.  
Not applicable.

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.

Not applicable as exports were all made via the single distribution channel.

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

No discounts or rebates were issued.

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 exported to Australia during the review period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

No credit or debit notes were issued.

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:

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

Not applicable.

## B-2 Australian sales listing

1. Complete the worksheet named "B-2 Australian sales"

- This worksheet lists all sales (i.e. transaction by transaction) exported to Australia of the goods invoiced within the review period. This includes exports to Australia sold through a domestic customer.
- 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.

Refer to [Exhibit B-2.1 – Australian sales](#).

2. Provide a table listing the source of the data for each column in the "B-2 Australian sales" listing.

Refer to [Exhibit B-2.1 – Australian sales](#).

## 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



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- 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.*

Refer to **Exhibit B-3 – Export sample sales**.

2. For each document, please annotate the documents or provide a table reconciling the details in the “B-2 Australian sales” listing to the source documents in B-3.1.

Refer to **Exhibit B-3 – Export sample sales**.

### **B-4 Reconciliation of sales to financial accounts**

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings 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.

Refer to **Exhibit B-4 – Upward sales**.

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.

Refer to **Exhibit B-4 – Upward sales**.

3. For any amount in the “B-4 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 D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

### **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.

Refer to **Exhibit B-5 – Upwards selling expense**.

2. Please provide all documents, other than those in A-4, B-2 and D-2, required to complete the “B-5 Upwards selling expense” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “B-5 Upwards selling expense” 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 C of the worksheet; and
  - highlight or annotate the amount shown in the source document.

## SECTION C EXPORTED GOODS & LIKE GOODS

The Commission considers the MCC structure in and of itself is not likely to be commercially sensitive information. Any claim that disclosing the MCC information is confidential or would adversely affect your business or commercial interests must be raised by lodging a submission as soon as practicable, but no later than the time this questionnaire is due.

### C-1 Models exported to Australia

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

The goods exported to Australia and the corresponding technical specifications are listed in the table below.

[CONFIDENTIAL TABLE REDACTED]

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.

MCC
90-N
80-N

### C-2 Models sold in the domestic market

1. Fully describe all like goods your company sold on the domestic market during the review 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.

The goods sold domestically and the corresponding technical specifications are listed in the table below.

[CONFIDENTIAL TABLE REDACTED]

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.

Domestic MCC
80-N
80-Y
90-N

### 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.

Yes. The product codes refer to the [REDACTED], [REDACTED] and the [REDACTED].

## 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

During the investigation period, IP Brasil had two channels of distribution relevant to its domestic sales in Brazil. First, IP Brasil arranged for the subject goods to be transported to the domestic customer directly from the paper mills (HM Channel 1).

Second, IP Brasil arranged for the subject goods to be transported to the domestic customer [REDACTED] (HM Channel 2). Most of IP Brasil's domestic sales during the investigation period were made via HM Channel 2.

Please refer to "**Confidential Exhibit D-1.1 – Domestic distribution channels**".

#### HM Channel 1: goods shipped directly from the mill to the customer

The home-market customer places a purchase order with IP Brasil's sales department (via e-mail, a phone call, or a written purchase order). After the customer's order is approved, IP Brasil enters the order into the company's sales system, and an order confirmation is generated and sent to the customer. After production, the merchandise is loaded onto the truck for delivery to the customer. IP Brasil issues the invoice to the customer on the same date the merchandise is loaded onto the truck.

#### HM Channel 2: goods shipped from the [REDACTED] to the customer

The home-market customer places a purchase order with IP Brasil's sales department (via e-mail, a phone call, or a written purchase order). After the customer's order is approved, IP Brasil enters the order into the company's sales system, and an order confirmation is generated and sent to the customer. In most cases, IP Brasil [REDACTED]

[**Confidential terms of domestic sale**]. IP Brasil normally issues the sales invoice when the merchandise is loaded onto the truck for delivery to the customer. In a minority of instances, IP Brasil issues the invoice, but [REDACTED].

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.

No.

3. If sales are in accordance with price lists or price extras list, provide copies of these lists. With respect to domestic sales, IP Brasil has internal pricing guidelines, but no price lists.

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.

In the domestic market, IP Brasil sold A4 copy paper to [REDACTED] (i.e., [REDACTED]), [REDACTED], and [REDACTED] (e.g., [REDACTED]) using both HM Channel 1 and HM Channel 2.

IP [REDACTED] Brasil [REDACTED] generally [REDACTED] charges [REDACTED]

[Explanation of price relativities amongst domestic customer].

With respect to IP Brasil's domestic sales during the review period, the level of selling activities varied significantly based on the customer category. Consequently, the levels of trade are appropriately defined by customer category.

Please refer to "**Confidential Exhibit D-1.2 – Selling activities**" which identifies the types and level of selling activities undertaken for each of the customer categories on the domestic market.

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 review period? If yes, provide a description; and explain the terms and conditions that must be met by the importer to obtain the discount.

For domestic sales made to distributors and end users, IP Brasil [REDACTED] during the review period. IP Brasil [REDACTED].

For domestic sales made to retailers, [REDACTED].  
Consequently, IP Brasil [REDACTED].

[REDACTED]. Therefore, IP Brasil has reported [REDACTED].

#### [Details of price setting mechanism]

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 review period? If yes, provide details of the credit/debit notes including the reasons the credit/debit notes were issued.

See response to previous question.

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?

Not applicable.

## 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 review period, even if they are models not exported to Australia
  - If you have claimed in B-1.8 and/or 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.

Please refer to **Exhibit D-2 – Domestic sales**.

2. Provide a table listing the source of the data for each column in the "D-2 domestic sales" listing.

Please refer to **Exhibit D-2.2 – Domestic sales source table**.

## 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

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- 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.*

Refer to **Exhibit D-3 – Domestic sample sales**.

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

Refer to **Exhibit D-3 – Domestic sample sales**.

### **D-4 Reconciliation of sales to financial accounts**

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

1. Please complete the worksheet named “B-4 Upwards sales” to demonstrate that the sales listings in 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.
2. Please provide all documents, other than those in A-4, D-2 and F-2, required to complete the “B-4 Upwards sales” worksheet. If the documents include spreadsheets, all formulas used must be retained.
3. For any amount in the “B-4 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 D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Not applicable. Refer to **Exhibit B-4 – Upward sales**.

## 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)? Yes, IP Brasil extends credit terms to its domestic customers. 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)? A rolling credit facility is not utilised by IP Brasil. 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? [REDACTED]
  - (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? [REDACTED]
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?

[REDACTED] IP Brasil [REDACTED] payment terms to Jackaroo Paper. A rolling credit facility is not utilised by IP Brasil for the Australian export sales.

### E-2 Packaging

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

IP Brasil packs A4 copy paper the same way for sale in the domestic and export markets. Reams of cut-size products are wrapped, the reams are placed in boxes, and the boxes are loaded onto pallets and shrink wrapped.

The packaging costs include pallets, shrink wrap, direct labour and depreciation of the finish goods department. The costs reported were based on 2019 accounting information.

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

IP Brasil packs A4 copy paper the same way for sale in the domestic and export markets. Reams of cut-size products are wrapped, the reams are placed in boxes, and the boxes are loaded onto pallets and shrink wrapped.

The packaging costs include pallets, shrink wrap, direct labour and depreciation of the finish goods department. The costs reported were based on 2019 accounting information.

3. If there are distinct differences in packaging between your domestic and export sales:
  - (a) Provide details of the differences

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- (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

Please refer to “**Confidential Exhibit E-2 – Packing**” for worksheet calculations of packing costs.

### 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?

Yes domestic sales are delivered to the customer. IP Brasil has reported the total delivery expenses associated with the two distribution channels in the home market, being direct shipments from the mill to the customer, and shipments from [REDACTED] to the customer (“Channel 2”).

The reported delivery expenses were calculated and consolidated to account for invoices from the unaffiliated transport carrier for final delivery from IP Brasil’s mill or [REDACTED], and where applicable, the additional allocation of inland freight expenses to transport the subject goods from the mill to [REDACTED], based on contract rates by the unaffiliated transport carrier

2. What are the delivery terms of the export sales of the goods to Australia?  
IPEX invoices the Australian customer on a [REDACTED] basis.

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?

As outlined earlier, there are two distribution channels relevant to exports to Australia:

1. Direct shipments from the mill to the customer (“Channel 1”); and
2. Shipments from [REDACTED] to the customer (“Channel 2”).

The reported delivery expenses were calculated and consolidated to account for invoices from the unaffiliated transport carrier for delivery to the port from IP Brasil’s mill or [REDACTED], and where applicable, the additional allocation of inland freight expenses to transport the subject goods from the mill to [REDACTED], based on contract rates by the unaffiliated transport carrier

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?

[REDACTED] incurred on each shipment.

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?

[REDACTED] incurred on each shipment.

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?

Not applicable.

### E-4 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.

Not applicable.

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?

Domestic sales information, including relevant taxes, have been reported at Exhibit D-4 to allow for net revenue (exclusive of taxes) to be calculated. These include the following taxes relevant to domestic sales:

- [REDACTED] - a [REDACTED];
- [REDACTED] - [REDACTED]
- [REDACTED] - [REDACTED]
- [REDACTED] - [REDACTED]

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

[REDACTED]

[REDACTED]

[REDACTED] . [Confidential selling arrangement]

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

### E-5 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 15 of the *Dumping and Subsidy Manual (November 2018)* for more information.

#### Advertising expenses

IP Brasil incurs advertising expenses on behalf of its customers. These expenses are not transaction-specific but are specific to A4 copy paper products sold domestically. To calculate a customer-specific per-unit advertising expense, IP Brasil divided the total advertising expense for the customer in 2019 by the total quantity sold to the customer in 2019.



## 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.

No. Sales processes are similar.

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.
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 reflect the material terms of sale?

Not applicable.

### 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 review 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.

Please refer to [Exhibit F-2 – Third country sale](#).

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

### 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.

Differences between exports to Australia and other third countries include:

- Product specification;
- Delivery terms;
- Payment terms;
- Level of trade.

## 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.

IP Brasil is a fully integrated manufacturer of A4 copy paper. IP Brasil manufactures pulp and uncoated paper at the Mogi Guaçu and Luiz Antonio mills, and manufactures uncoated paper at the Tres Lagoas mill. For its paper-making production at the Tres Lagoas mill, IP Brasil uses pulp supplied by an unaffiliated third-party. IP Brasil has four paper machines at the Mogi Guaçu mill, two paper machines at the Luiz Antonio mill, and one paper machine at the Tres Lagoas mill.

IP Brasil also [REDACTED].

At the beginning of the process, bark is removed from logs in a debarking machine. IP Brasil uses hardwood logs cut from eucalyptus trees, most of which are harvested internally in IP Brasil forests. The debarked logs are then fed into a chipper machine, which cuts the logs into small chips. Next, the wood chips are cooked with water and chemicals in a digester cooking vessel to separate cellulose fibers (the plant tissue from which paper is made) from lignin (a three-dimensional polymer that binds the cellulose fibers together).

The cooking process results in two materials:

- (1) brown pulp, which is used to make white pulp and ultimately paper, and
- (2) a black liquor concentrate of the removed lignin and caustic soda (sodium hydroxide, NaOH), which is recycled for re-use in the production process. The black liquor passes through a recovery boiler (generating steam that the company re-uses to create energy) and subsequently to a kiln in order to be converted into a white liquor solution (consisting of caustic soda). The white liquor is reused in the wood-chip cooking process to remove lignin. The conversion to white liquor in the kiln also generates carbon dioxide, which is used to make calcium carbonate. Calcium carbonate, in turn, is used later in the paper making process.

The brown pulp is washed to remove more lignin from the cellulose fibers, and then bleached to make white pulp. Various chemicals (including chlorine dioxide and hydrogen peroxide) are added during the washing and bleaching processes, which occur in separate tanks.

Next, the white pulp is converted to paper in the paper machine. Chemicals such as calcium carbonate and a large volume of water is added to the pulp as it is conveyed through piping. At this point, the pulp mixture is more than 99% water. The pulp slush passes to a forming table, where the mixture is distributed over a wire web. As the wire web moves along, water drains from it and the fibers begin to bond, forming a sheet ("web") of paper that consists of approximately [REDACTED] % fiber.

The web of paper then proceeds to a press section, where rollers squeeze more water from the web, increasing the fiber content to approximately [REDACTED] % fiber. Next the web proceeds to the dryer section of the paper machine, where it passes through cylinders that use steam to evaporate most of the remaining water. During the drying process, a layer of starch is added to control ink penetration and, if colored paper is being produced, dyes are added. After drying is completed, the work-in-process consists of large reels of paper known as "parent rolls" or "jumbo rolls."

The parent rolls are next cut to narrower "sheeter rolls" in a rewinding machine. On the sheeting line, the sheeter rolls are cut to the desired widths and lengths of the paper to be produced. IP Brasil makes commercial sales of sheeter rolls to publishers and printing companies in the home market, but consumes most of the sheeter rolls internally to produce uncoated paper in cut-size and folio-size sheets.

Lastly, the paper is packaged on the packaging line. Folio products are divided into quantities of 250 or 500 sheets, wrapped in paper, and placed on pallets and shrink wrapped. In some cases, folio sheets are placed directly onto the pallet and shrink wrapped. Cut-size sheets are organized into

reams (consisting of 500 or 100 sheets); the reams are wrapped in labelled packaging on a wrapping machine; the packaged reams are stacked by a stacking machine and placed into cartons in a box machine; and, finally, the cartons are stacked onto a pallet and wrapped in clear plastic for shipment.

A flowchart of the production process is contained at “**Confidential Exhibit G-1 – Production flowchart**”.

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.

No.

## G-2 Cost accounting practices

1. Is your company's cost accounting system based on actual or standard costs (budgeted)? IP Brasil's cost accounting system is not based on standard or budgeted costs. As discussed in response to question G-2.4, however, [REDACTED]

[Financial accounting practices]

2. If your 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 review period.

Not applicable.

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.

Each mill uses different cost center numbers. In IP Brasil's [REDACTED] accounting system, [REDACTED]

[Financial accounting practices]

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

[REDACTED]

[REDACTED]

[REDACTED]

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- [REDACTED]
- [REDACTED]

As further explained below, IP Brasil calculated weighted-average model specific costs in this case using the following methodology:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

The costs reported in Exhibits G-3 and G-5 account for product-specific differences arising from the following characteristics:

- COLOR (colored or white),
- BSWGT (basis weight),
- BRIGHT (brightness), and
- RECLWG (percentage of post-consumer fiber).

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

No.

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.

No.

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)?

[REDACTED]

[REDACTED]

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

[REDACTED]

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

[REDACTED]

[REDACTED]

[REDACTED]

[Financial accounting practices]

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

Not applicable.

### 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 review 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 B-1.8 and/or 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 review period.

Please refer to [Exhibit G-3 Domestic CTM](#).

2. Provide a table listing the source of the data for each column of the "G-3 Domestic CTM" listing.

Please refer to [Exhibit G-6.2 - Costs for largest model](#).

### G-3.A Cost to make pulp

1. Complete the worksheet named "G-3.A Domestic CTM - Pulp" if you are a fully integrated producer using self-produced pulp to manufacture A4 copy paper. This worksheet is for reporting of your costs of converting wood chips to pulp. This spreadsheet should feed into the raw material costs to manufacture A4 copy paper (G-3 Domestic CTM).
  - Raw material costs should be reported at the wood chip level in this worksheet.
  - This worksheet lists the monthly cost to make pulp used in the manufacture of domestic A4 copy paper within the review period, even if the A4 copy paper models are not exported to Australia.
  - 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 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, e.g., 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.

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- If you have claimed in B-1.8 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the months 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 review period.

Please refer to [Exhibit G-3.A Domestic CTM - Pulp](#).

### **G-3.B Cost to make wood chips**

1. Complete the worksheet named "G-3.B Domestic CTM - Wood Chip" if you are a fully integrated producer using self-produced wood chips to manufacture A4 copy paper. This worksheet is for reporting of your costs of converting logs to wood chips. This spreadsheet should feed into the raw material costs to manufacture pulp (G-3.A Domestic CTM Pulp).
  - Raw material costs should be reported at the log level in this worksheet.
  - This worksheet lists the monthly cost to make wood chips used in the manufacture of domestic A4 copy paper within the review period, even if the A4 copy paper models are not exported to Australia.
  - 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 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, e.g., 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 and/or D-1.7 that the date of sale is one other than the invoice date, then provide the cost for the months 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 review period.

Please refer to [Exhibit G-3.B Domestic CTM - Wood Chip](#).

### **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 review 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.

Please refer to [Exhibit G-4.1 SG&A listing](#).

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 refer to [Exhibit G-4.2 Dom SG&A calculation](#).

### **G-5 Cost to make the goods exported to Australia**

1. Complete the worksheet named "G-5 Australian CTM".
  - This worksheet lists the quarterly cost to make the Australian models of the goods under consideration by MCC manufactured within the review 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

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(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.

Please refer to [Exhibit G-5 Australian CTM](#).

2. Provide a table listing the source of the data for each column of the "G-5 Australian CTM" listing.

Please refer to [Exhibit G-6.2 - Costs for largest model](#).

### **G-5.A Cost to make pulp**

1. Complete the worksheet named "G-5.A Australian CTM - Pulp" if you are a fully integrated producer using self-produced pulp to manufacture A4 copy paper. This worksheet is for reporting of your costs of converting wood chips to pulp. This spreadsheet should feed into the raw material costs to manufacture A4 copy paper (G-5 Australian CTM).
  - Raw material costs should be reported at the wood chip level in this worksheet.
  - This worksheet lists the monthly cost to make pulp used in the manufacture of Australian exported A4 copy paper within the review 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 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, e.g., 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 and/or 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 review period.

Please refer to [Exhibit G-5.A Australian CTM - Pulp](#).

### **G-5.B Cost to make wood chips**

1. Complete the worksheet named "G-5.B Australian CTM – Wood Chip" if you are a fully integrated producer using self-produced wood chips to manufacture A4 Copy paper. This worksheet is for reporting of your costs of converting logs to wood chip. This spreadsheet should feed into the raw material costs to manufacture pulp (G-5.A Australian CTM – Pulp).
  - Raw material costs should be reported at the log level in this worksheet.
  - This worksheet lists the monthly cost to make wood chips used in the manufacture of A4 copy paper exported to Australia within the review 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 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, e.g., 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 and/or 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 review period.

Please refer to [Exhibit G-5.B Australian CTM – WoodChip](#).

## G-6 Cost allocation methodology

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

Each mill (Mogi Guaçu, Luiz Antonio, and Tres Lagoas) uses the same cost accounting method, with some variation based on cost center (each mill has its own cost centers) and production stages (i.e., pulp is not manufactured at Tres Lagoas). For each mill, costs are tracked by production stage (such as woodyard pulp/woodyard fuel, causticizing/dioxide, washing, bleaching, cutting, and finishing).

[REDACTED]

[REDACTED]

2. Select the domestic model (export model if you have no domestic production of like goods) with the largest production volume over the review 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.

Please refer to [Exhibit G-6.2 - Costs for largest model](#).

## G-7 Major raw material costs

1. For each major raw material (pulp, wood chips or logs) which individually account for 10% or more of the total cost to make, complete the worksheet named "G-7 Raw material purchases".
  - This worksheet lists all raw material purchases (i.e. transaction by transaction) purchased by your company within the review 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.

Please refer to [Exhibit G-7 – Raw material purchases](#).

2. Provide a table listing the source of the data for each column of the "G-7 Raw material purchases" listing.

[REDACTED]

3. For each raw material:
  - (a) Select the two largest invoices by value and provide the commercial invoice and proof of payment.
  - (b) Reconcile the total value listed in "G-7 Raw material purchases" listing to relevant purchase ledgers or trial balances in your accounting system. Provide copies of all documents used to demonstrate the reconciliation.

Please refer to [Exhibit G-7.3 - Documentation for major raw material purchases](#)

4. Are any of the suppliers in "G-7 Raw material purchases" listing related to your company? If yes, please provide details on how the price is set.

No.

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

1. Please complete the worksheet named "G-8 Upwards costs" to demonstrate that the cost listings in G-3 and G-5 are complete.
  - You must provide this list in electronic format using the template provided.
  - Please use the currency that your accounts are kept in.



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- If you have used formulas to complete this worksheet, these formulas must be retained.

Please refer to **Exhibit G-8 – Upward costs**.

2. Please provide any documents, other than those in A-4, G-3 and G-5, required to complete the “G-8 Upwards costs” worksheet.

Please refer to **Exhibit G-8 - Upward cost support**

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 D of the worksheet; and
  - highlight or annotate the amount shown in the source document.

Please refer to **Exhibit G-8 – Upward costs**.

### **G-9 Capacity Utilisation**

4. Please complete the worksheet named “G-9 Capacity Utilisation”.
  - 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.

Please refer to **Exhibit G-9 – Capacity Utilisation**.

## **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** :.....