



**EUROPEAN COMMISSION**

Directorate-General for Trade

Directorate B - Trade defence

- LIMITED VERSION**
- VERSION FOR INSPECTION BY INTERESTED PARTIES**  
*(tick box as appropriate)*

<b>FORM FOR COMPANIES CLAIMING MARKET ECONOMY STATUS AND/OR INDIVIDUAL TREATMENT IN ANTI-DUMPING PROCEEDINGS</b>
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INTENDED FOR: **PRODUCERS EXPORTING TO THE EC**

OF:

ORIGINATING IN: **PEOPLE'S REPUBLIC OF CHINA**

INVESTIGATION PERIOD (IP): **XXXXX-XXXXX**

STATUTORY REFERENCE: **Council Regulation (EC) No 384/96, OJ L 56 of 6/3/96<sup>1</sup>**

REGULATORY REFERENCE: **Notice of Initiation**

REGISTRATION NUMBER OF PROCEEDING: **AD xxx**

DUE DATE FOR RESPONSE TO CLAIM FORM: **within 15 days of the date of publication of the notice of initiation**

**OFFICIALS IN CHARGE:**

<b>HEAD OF SECTION:</b>	
<b>DUMPING TEAM</b>	<b>INJURY TEAM</b>

ADDRESS: **EUROPEAN COMMISSION**

FAX:

<b>PLEASE NOTE THAT THIS CLAIM FORM HAS TO BE COMPLETED TWICE, ONCE AS A LIMITED VERSION AND ONCE AS A VERSION FOR INSPECTION BY INTERESTED PARTIES.</b>
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<sup>1</sup> As last amended by Council Regulation (EC) N°461/2004 of 08/03/2004

## INTRODUCTION

The purpose of this document is to list the information required from exporting producers of the product concerned which wish to request market economy status and/or individual treatment in this anti-dumping proceeding. An exporting producer is the legal entity manufacturing the product concerned in China and selling it for export. All documents submitted should be provided together with a translation in English. The information should relate to the investigation period (IP), unless requested otherwise. Please note that this form sets out minimum information requirements; companies may submit all supplementary evidence they deem useful for the determination of their status.

**Market economy treatment** will be granted to those exporting producers which submit a duly completed claim form and can demonstrate that they meet the conditions defined in Article 2(7)(c) of the basic Regulation.

To the extent that market conditions prevail, this treatment may lead to the application of domestic prices and costs from the exporting producer in question where analogue third country data would otherwise have been used. This also implies that, in the event of anti-dumping measures being imposed, the company would be subject to its own individual duty rate, if any, instead of the single country-wide duty, i.e. it would automatically be deemed to be eligible for individual treatment.

**Individual treatment** can be granted where an exporting producer can show that its decisions concerning export sales (in terms of prices and quantities) are made independently from the State. In this context, emphasis will be put on whether the export activities are totally free from State intervention and thus that there is no risk of circumvention of anti-dumping measures by the exporting producer requesting individual treatment, should the investigation result in the finding that there is injurious dumping and that anti-dumping measures are not contrary to the interests of the Community.

The granting of individual treatment on export sales means the determination of an individual dumping/injury margin for an exporting producer, which applies as an exception from the single country-wide dumping/injury margin. An exporting producer receiving individual treatment on its export sales would, in the event of anti-dumping measures being imposed, be subject to its own individual duty-rate, if any, instead of the country-wide duty.

For companies receiving individual treatment but not market economy status, normal value will be established on the basis of information obtained in the analogue country, which will then be compared with the exporting producer's own export prices to the Community.

**Please specify, by ticking the appropriate box, what type of treatment your company requests:**

- Market economy treatment, on the understanding that should the investigation reveal that your company does not meet the conditions set, then individual treatment is requested instead.
- Individual treatment only.

If your company only requests individual treatment, it should only reply to the questions marked with an asterisk (\*). If your company requests market economy treatment, a reply should be given to all questions.

Should you have any questions or difficulties regarding this claim form or this proceeding in general, please do not hesitate to contact any of the casehandlers listed on the cover page.

### **PLEASE NOTE**

- **If you do not wish to request either form of treatment, there is no need to complete this claim form.**
- **Your reply to this claim form for market economy status may be subject to verification. You are therefore requested to keep all supporting documents and all working documents used for the preparation of your reply available for inspection.**
- **Both a confidential (marked “limited”) and a non-confidential version (marked “for inspection by interested parties”) of this claim form should be completed.** In this connection, you should be aware of the following:
  - ⇒ *Interested parties providing limited information shall be required to furnish a version for inspection by interested parties. Those latter shall be in sufficient detail to permit a reasonable understanding of the substance of the information submitted in confidence. In exceptional circumstances, the parties may indicate that the information is not susceptible of summary. In such exceptional circumstances, a statement of the reasons why summarisation is not possible must be provided.*
  - ⇒ *If it is considered that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information available or to authorise its disclosure in generalised or summary form, the information may be disregarded.*
- It should be noted that in cases where any interested party refuses access to, or otherwise does not provide, necessary information within the time limits, or significantly impedes the investigation or supplies false or misleading information, the claims for market economy treatment and/or individual treatment may be rejected.
- Unless otherwise specified, all sales prices and values should be expressed in the currency in which your accounts are kept.
- Unless otherwise specified, replies should relate to the investigation period (IP) as defined on page 1 of this claim form. All references to the IP concern this period.

**WARNING: This investigation is subject to strict mandatory deadlines. Any reply received later than the date indicated on the cover page may be rejected.**

**SECTION A - GENERAL INFORMATION**

**A - 1 Identity**

Supply the following details of your company:

**Name:**

**Address:**

**Telephone:**

**Telefax:**

**e-mail of contact person:**

*Indicate the names of the persons to contact and their functions within the company.*

**A - 2 Legal representative**

In case you appointed a legal representative to assist you in this proceeding provide the following details:

**Name:**

**Address:**

**Telephone:**

**Telefax:**

**e-mail of contact person:**

**A - 3 Scope of the investigation**

The product covered by this proceeding is .....  
(hereinafter referred to as 'the product concerned').

..... is currently classifiable within **CN code** ..... This CN code is given only for information and has no binding effect on the classification of the product.

Any reference to '**product concerned**' or '**PC**' in this claim form refers to the above product description.

**A - 4 Corporate information**

\*1. What is the legal form of your company?

For companies located in China please state whether your company is:

a sino-foreign (co-operative or equity) joint venture,

a wholly-owned foreign enterprise,

a branch of a company established outside the PRC (including Hong Kong),

a fully Chinese limited liability company,

a state-owned enterprise (or owned by all people),

a company limited by shares,

a collectively owned enterprise,

any other legal form (please specify).

If the legal form of your company has changed over the last five years, please list also the previous legal form(s) it had during those years.

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**Practical Manual For Chinese Producers And Exporters**

- \*2. Supply a diagram outlining the overall internal hierarchical and organisational structure of your company. A detailed diagram should show all units involved in the production, sales and distribution of the product concerned in both the domestic and export markets.
- \*3. Provide details of your company's world-wide corporate structure and affiliations, including parent companies, subsidiaries or other companies related directly or indirectly to your company. Please supply a chart for this purpose. List also the activities of all companies not involved in the production or commercialisation of the product concerned and supply the business license or any other official document showing the activities of these companies.
- \*4. Provide the names and addresses, telephone, facsimile numbers and e-mail addresses of all subsidiaries or other related companies in all countries that are involved in the production or commercialisation of the product concerned. Specify the activities of each of these related companies. In all cases, describe the nature of the relationship. State whether you share any board members or senior executives with any of these entities. If so, identify these persons and the nature of their mutual affiliations. Attach copies of any arrangements between the parties.
- \*5. List each shareholder in your company who owned **at least 1%** of the shares or of the value of the company during the IP and list the activities of these shareholders in a table with the following format:

Name of shareholder	Percentage of shareholding	Activity of shareholder	Other notes on shareholder

Under the heading of "Other notes on shareholder", please state whether it is a private person, a company, the State or a local/regional authority. In addition:

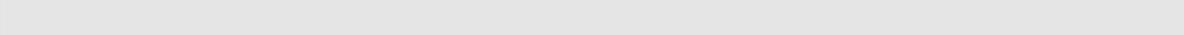
- if it is a private person, state whether this person has **Chinese** nationality or any other nationality(-ies);
  - if it is a company, state whether it is a **Chinese** company, a foreign-owned company, or a joint-venture with a foreign-owned company;
  - if it is a **Chinese** company, state whether it is a privately owned company, a State-owned company or a company owned by local/regional authorities. If it is a company part-owned by the State or local/regional authorities, specify to what extent State or local/regional authorities are involved;
  - if it is a local or regional authority please give details.
- \*6. Please attach a copy of the Articles of Association and the Memorandum of Association (together with an English translation).

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- \*7. List all members of the Board of Directors and the Board of Shareholders. For each of the members, state who they represent, what their function is and what their voting rights are.

If any of the shareholders or directors of the company is of **Chinese** nationality, please specify the quorum and what majority is required for taking decisions in shareholders' meetings and in meetings of the Board of Directors. Are these rules set out in the Articles of Association or other documents? Please attach a copy of such documents (together with an English translation)..

- \*8. Please specify and give the references of the following laws to the extent they are applicable to your company:
- company law
  - labour law
  - joint-venture law
  - accounting rules or law.
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**SECTION B - BUSINESS DECISIONS AND COSTS**

**B - 1 Primary materials and other cost components for the production of the product concerned**

- 1) Please provide a list of the average unit costs of the main primary materials/cost components (including energy, gas, etc.) used for the production of the product concerned during the IP. Summarise these purchases by filling in a table with the following format (please indicate all main cost components/primary materials, in addition to those already listed in this table):

Type of primary material/cost component	Value	Quantity in tons	<i>Average cost per unit</i>

- \*2. Explain how the primary materials and other relevant inputs for manufacturing the product concerned (specified above) are procured (short or long term contracts, spot market, number of suppliers for the various raw materials, purchased locally or abroad, etc.).
3. For the cost components mentioned above please state:
- i) Name and address of supplier. Please state whether the supplier is a private person, a company, the State or a local/regional authority:
- if it is a private person, state whether this person has **Chinese** nationality or any other nationality;
  - if it is a company, state whether it is a **Chinese** company, a foreign-owned company or a joint venture with a foreign-owned company;
  - if it is a **Chinese** company, whether it is a privately owned company, a State-owned company or a company owned by local/regional authorities. If it is a company part-owned by the State or local/regional authorities, specify to what extent State or local/regional authorities are involved;
  - if it is a local/regional etc. authority, please give details.
- \*ii) whether there are any restrictions or conditions, either direct or indirect, on imports of the raw materials used. If so, please describe them. Provide a copy of the documents (together with an English translation) in which these restrictions or conditions are set out and indicate the relevant provisions.

**B -2 Industrial property rights and legal requirements**

1. Specify contractual links, including joint ventures, with any other company, authority or with the government (national, regional or local) concerning R&D, production, sales, licensing, technical and patent agreements for the product concerned. Please attach copies of the agreements accompanied by an English translation.
2. Please provide a list of any royalties or other payments you make in respect of any of the above, and state their amount.
- \*3. List and explain clearly all authorisations your company requires in order to produce, to sell in **China**, or to export the product concerned. Is your company subject to any direct or indirect quantitative or other restrictions for any of these activities? Supply a copy of your business licence, your registration act and relevant permits. Please describe under what circumstances such a licence and/or registration can be withdrawn.
4. Please describe the bankruptcy and property laws applying to your company. Describe any special derogations or exemptions you or the business sector in which you operate have from these laws.
- \*5. State whether your company is subject to any restrictions on the distribution/repatriation of profits and repatriation of capital invested. If so, please provide details. Provide a copy of the documents (together with an English translation) in which these restrictions are set out and indicate the relevant provisions.

**B - 3 Labour**

- \*1. Please describe how labour is organised for production purposes. How many skilled workers, unskilled workers, managers, etc. are employed? What was the average wage paid to each of these categories in the IP?
- \*2. Please explain how company employees are remunerated (i.e. indicate in detail all elements of remuneration including salary, overtime pay, company car, holiday allowance, etc.). What is the frequency of the remuneration? Which legal entity is the final payer? Do your employees or their families benefit from other advantages such as housing, medical care, pension, education, etc.? Please specify. If you employ foreign staff, please give separate answers to the questions in this paragraph for them, and explain where the final payer is located.
- \*3. Describe in detail the procedure for hiring or dismissing employees. Indicate who is responsible for the final decision.

**B - 4 Production facilities and production**

1. Please provide monthly production figures for the product concerned in Tons for IP.
- \*2. If your company is a foreign owned company please give the total production in Tons per product of the main products produced by your company during the IP.

**B - 5 Sales**

1. Please provide monthly average domestic sales prices (specify currency) for the product concerned and monthly domestic sales quantities (in Tons) for IP.

If your company is a foreign owned company please give the total sales in Tons per product of the main products sold by your company on the domestic market during the IP.

2. Please provide domestic price lists used by your company during the IP for the product concerned.

\*Explain any local/regional authority or State involvement in setting prices/quantities. Provide a copy of the documents (together with an English translation) in which those involvements are set out and indicate the relevant provisions.

3. Please provide monthly average export sales prices (specify currency) for the product concerned and monthly export sales quantities (in Tons) for the IP.

4. Please provide export price lists for the product concerned used by your company for the IP.

\*Explain any local/regional authority or State involvement in setting prices/quantities. Provide a copy of the documents (together with an English translation) in which those involvements are set out and indicate the relevant provisions.

- \*5. Please explain (e.g. by using a diagram) how the product concerned is sold for export to the European Community and describe the physical (inputs and products) and financial (e.g. invoices and payments) flows involved.

6. Please provide a listing of all export sales to the Community (either direct or via a third country, including Hong Kong) for the IP.

The listing should give information on the following: invoice number, quantity, invoice amount, product type, and name of customer.

**SECTION C - ACCOUNTS**

**C - 1 Financial statements**

1. State the financial year of your company.
2. Which accounting documentation has to be registered for official purposes each year? Which authorities are involved in the official registration of these documents?
3. Please attach the complete financial statements (balance sheet, profit and loss statement, supporting schedules, notes to the financial statements and auditor's opinion) for the last two financial years, in both the original language version and an English translation. Please provide the name and address of your auditors (if any).
4. Audit requirements

If the financial statements of your company have not been audited, please explain why this is the case. Is there any legal requirement that accounts should be audited in full or in part?

**C - 2 Accounting principles and practice**

1. Statutory requirements and fundamental accounting principles

*a) Books and records*

Please describe briefly, specifying the reference, the essential statutory requirements such as the language and currency in which the accounts are to be kept and the period for which accounting records and other documents (e.g. important contracts, agreements, articles of association, minutes of board meetings, financial statements and audit reports) have to be kept.

*b) Methods and general principles of accounting*

Please describe briefly the general accounting principles and practices of your company if these have not been mentioned in the financial statements. Please address items such as consistency of valuation methods, separate identification of assets and liabilities, prudence of valuation, going concern principles, if income and charges relating to a particular financial year are taken into account in the accounts of the relevant year.

2. Sources of accounting principles

Please specify who has set the rules with which your company has to comply, such as accounting regulations and standards of regulatory bodies (e.g. the Ministry of Finance, the tax authorities, securities regulations, etc.). Please list these rules.

3. Specific accounting principles and practices

Please describe briefly the accounting principles and practices with regard to the items listed below if these are not covered by the financial accounts:

**\*a) *Asset valuation***

Explain the methods of depreciation and amortisation used for the main fixed and intangible assets. Please specify the acquisition value and the current book value. Please explain in each case how the asset was obtained (e.g. bought on the open market, transferred to the company by a shareholder, given for free or at a discount by the State or a third party). If the valuation of the above-mentioned assets has been changed during the last 10 years please explain on what basis and give the reasons for the change in valuation. Give also the impact on the current book value.

List all facilities used for production and/or commercial purposes that are not owned by your company (land, buildings, machines). Please attach contracts for lease or rent.

**b) *Loans and subsidies***

Please provide a list of current loans held by your company. Give details of the amounts, repayment instalments and interest rates. Explain whether the company benefits from special loan or subsidy schemes (e.g. preferential interest rates and extended payback periods, subsidised energy supply, etc.).

**c) *Foreign currency transactions***

Who sets foreign exchange rate(s) used for purchase of inputs, conversion of the proceeds of export sales, etc.? Is there only one rate which can be used?

Explain if there are any limits applicable to your company for the use/conversion of foreign currencies. If your company has a foreign exchange account, please submit the approval of your application (together with an English translation) by the relevant authority.

**d) *Barter trade/counter trade***

Has the company been involved in barter trade or counter trade at any time in the last five years involving the exchange of goods or commodities for domestic or foreign equipment, services or commodities? Provide details and explain the accounting methods used.

**e) *Compensation trade/product buy-back***

Explain whether the company has been involved in compensation trade (also known as product buy-back) at any time in the past five years whereby a domestic or foreign company provides machinery and equipment for which it receives payment in kind, usually in the form of goods produced. Explain if such payments were structured as loans or as instalment sales. Explain the accounting methods used.

**f) *Profit distribution.***

Please specify the profit distribution policy of your company for the last 3 years.

<b>CERTIFICATION</b>
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The undersigned certifies that all information supplied herein in response to the claim for market economy status is complete and correct to the best of my knowledge and belief and understands that the information submitted may be subject to audit and verification by the European Commission.

\_\_\_\_\_

Date

\_\_\_\_\_

Signature of authorised official

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Name and title of authorised official