



Trade Remedies
Authority

Final Recommendation

**UK trade remedies exemption review on certain bicycle
parts
from the People's Republic of China**

Case CE0040



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Introduction

1. Under Regulation 96E of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019, (the Regulations) the Trade Remedies Authority (TRA) may conduct a UK trade remedies measure exemption review (exemption review). The aim of the exemption review is to consider whether goods imported by an importer or overseas exporter should be exempted from the application of a UK trade remedies measure.
2. The goods subject to review in this case are certain bicycle parts (the goods) exported from the People's Republic of China (the PRC).
3. The European Union (EU) imposed anti-dumping duties on bicycles exported from the PRC, and these duties were extended via subsequent circumvention reviews to imports of bicycles consigned from Indonesia, Malaysia, Sri Lanka, Tunisia, Cambodia, Pakistan and the Philippines under EU Council Regulation [No 501/2013](#) and [No 2015/776](#), and to imports of certain bicycle parts originating from the PRC under [EU Council Regulation \(EC\) No 71/97](#).
4. On 31 December 2020, [Taxation Notice 2020/34](#) gave effect to the above EU measure as a UK trade remedies measure.

About this review

5. On 14 August 2023, the TRA initiated an exemption review under regulation 96E of the Regulations to consider whether Frog Bikes Limited (the Applicant) should be exempted from the anti-dumping amount applied to the goods.
6. The Applicant was granted a temporary suspension of the measure under [trade remedies notice 2023/17](#) pursuant to regulation 96F (3) of the Regulations on 14 September 2023, which took effect from 15 September 2023.



7. The Applicant is the parent company of a UK importer (Frog Bikes Manufacturing Limited) that currently holds an exemption to the measure. This exemption was originally investigated by the European Commission (EC) via [Commission Implementing Decision \(EU\) 2019/1087](#), granted by the EC via [Commission Implementing Decision \(EU\) 2021/659](#), and subsequently granted by the Secretary of State for International Trade via [trade remedies notice 2021/10](#).
8. The Applicant has applied for an exemption on the basis that it is in the final stages of formalising a company restructuring with its subsidiary, Frog Bikes Manufacturing Limited. As a result of this company restructuring, Frog Bikes Manufacturing Limited will cease to exist and the Applicant will take over all the operational activity previously carried out by Frog Bikes Manufacturing Limited, thus becoming a UK importer of the goods.
9. The period of investigation (POI) for this review is 1 June 2022 to 31 May 2023.
10. The Applicant for the review is:

Frog Bikes Limited, Unit 7-9 Silwood Business Centre, Silwood Park, Buckhurst Road, Ascot, Berkshire, England, SL5 7PW.
11. No other parties registered their interest in the review.

The goods subject to review

12. The goods subject to review are:

certain bicycle parts, in quantities of 300 or more units per month (per type), including brake levers, coaster braking hubs, complete wheels with or without tubes, tyres and sprockets, crank-gear, derailleur gears, frames (painted,



anodised, polished or lacquered), free-wheel sprocket-wheels, front forks (painted, anodised, polished or lacquered), handlebars, and hub brakes.

13. The goods are subject to the following tariff classifications:

87 14 91 10 31
87 14 93 00 19
87 14 99 10 99
87 14 91 10 35
87 14 94 20 99
87 14 99 50 91
87 14 91 10 39
87 14 94 90 19
87 14 99 50 99
87 14 91 30 35
87 14 96 30 90
87 14 99 90 19
87 14 91 30 39
87 14 99 10 89

Exemption review requirements

14. The TRA considered whether the following criteria for exempting the Applicant's goods from the application of the measure were met, as set out in regulation 96G of the Regulations:

- the UK trade remedies measure applies an EU trade remedies measure that was extended following an EU circumvention review;
- the Applicant is not related to an overseas exporter which is subject to the UK trade remedies measure; and,
- the Applicant is not engaged in circumvention of the UK trade remedies measure.



15. The TRA has determined that the above criteria are met for the reasons set out in the subsections below.

Extension of EU measure following an EU circumvention review

16. On 10 January 1997, the EU measure on bicycles was extended following a circumvention review to include certain bicycle parts via [EU Council Regulation \(EC\) No 71/97](#).

17. On 31 December 2020 the Secretary of State for International Trade (now the Secretary of State for Business and Trade) made provision by public notice giving effect to the EU measure via [Taxation Notice 2020/34](#), in accordance with regulation 96A of the Regulations.

18. The TRA has determined that the UK trade remedies measure applies an EU trade remedies measure that was extended following an EU circumvention review.

Applicant's relationship to other companies subject to the measure

19. The TRA considered the Applicant's application, Companies House records, and additional information submitted by the Applicant to review the Applicant's ownership and company structure, and any proposed changes as a result of the corporate restructuring.

20. The review of all available sources produced no evidence of a relationship to overseas exporters in the PRC that are subject to the measure. All information gathered and provided was complete and consistent.

21. The TRA is satisfied that the Applicant is not related to an overseas exporter which is subject to the UK trade remedies measure.



Assessment of circumvention

22. The TRA assessed whether the Applicant is engaged in circumvention of the UK trade remedies measure in accordance with regulation 73 of the Regulations. For the purposes of regulation 73, circumvention exists where there is a change in the pattern of trade resulting from a practice that has insufficient economic justification other than for the avoidance of the anti-dumping amount. An assembly operation within the UK may be circumventing where 60% or more of the total value of the parts of the assembled goods come from the relevant exporting country. However, in no case shall circumvention be taking place where the value added to the parts brought in, during the assembly or completion operation, is greater than 25% of the manufacturing cost.
23. The investigation conducted by the EC via [Commission Implementing Decision 2019/1087](#) found that the value added to the parts brought in during the assembly operations of the Applicant's subsidiary, Frog Bikes Manufacturing Limited, was greater than 25% of the manufacturing costs. As such, the EC assessed that the Applicant's subsidiary, Frog Bikes Manufacturing Limited, was not engaged in circumvention of the measure.
24. Frog Bikes Manufacturing Limited is a UK importer that currently holds an exemption to the measure. As a result of a company restructure, Frog Bikes Manufacturing Limited will cease to exist and the Applicant will take over all the operational activity previously carried out by Frog Bikes Manufacturing Limited, thus becoming a UK importer of the goods.
25. The TRA reviewed the Applicant's application, and additional evidence provided by the Applicant. The TRA conducted assurance checks on the data provided in order to gain assurance that there have been no significant operational changes as a result of the corporate restructuring, and that the corporate restructuring between the parent company (the Applicant) and its subsidiary is in the process of being formalised. Gaining this



assurance allows the TRA to assess that the Applicant is not engaged in circumvention of the measure.

26. To assess the completeness, relevancy and accuracy of the data provided, the TRA reviewed the Applicant's transaction-by-transaction purchasing data for bicycle parts covering the POI by tracing a sample of transactions through the Applicant's accounting system. The TRA were able to verify transactional attributes including supplier, purchase value, and purchase date.

27. The following information submitted by the Applicant was considered by the TRA:

- Novation Deed between the Applicant and its subsidiary;
- Evidence of correspondence from the Applicant to suppliers and customers informing them of the corporate restructuring;
- Evidence that bank and trade accounts are now held in the name of the Applicant as a result of the corporate restructuring;
- Evidence that purchase orders are now raised in the name of the Applicant;
- Consolidated financial statements;
- Payroll information;
- Suppliers used and parts purchased;
- Bicycles models manufactured; and
- Production process and production facilities.

28. The TRA also assessed the technological changes that the Applicant have undertaken since the EC investigation.

29. The assessment of the Applicant's information and financial data concluded that there have been no significant operational changes as a result of the corporate restructuring, and that the corporate restructuring between the Applicant and its subsidiary is being formalised.

30. The TRA is therefore satisfied that the Applicant is not engaged in circumvention of the UK trade remedies measure.



Findings and Final Recommendation

Findings

31. The TRA has determined that the UK measure applies an EU trade remedies measure that was extended following an EU circumvention review. The TRA is satisfied that the Applicant is not related to an overseas exporter which is subject to the measure and the Applicant is not engaged in circumvention of the UK trade remedies measure.

Final Recommendation

32. The goods subject to review are:

certain bicycle parts, in quantities of 300 or more units per month (per type), including brake levers, coaster braking hubs, complete wheels with or without tubes, tyres and sprockets, crank-gear, derailleur gears, frames (painted, anodised, polished or lacquered), free-wheel sprocket-wheels, front forks (painted, anodised, polished or lacquered), handlebars, and hub brakes.

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87 14 91 30 35

87 14 96 30 90

87 14 99 90 19

87 14 91 30 39

87 14 99 10 89

34. In accordance with regulation 96G(1) of the Regulations the TRA recommends to the Secretary of State for Business and Trade that the Applicant's goods are exempted from the application of the UK trade remedies measure.

35. This recommendation relates to a UK trade remedies measure applied by [Taxation Notice 2020/34](#), on goods imported by Frog Bikes Limited.