



Investigation into Alleged Subsidisation

AS0020 - Ironing Boards from the Republic of Türkiye

Update to Milenyum Metal's Verification Report

21 June 2022

Following the publication of its Notice of Initiation (NOI) on 7 April 2022, the Trade Remedies Authority (TRA) has been investigating the alleged subsidisation of ironing boards imported into the United Kingdom from the Republic of Türkiye. On 26 April 2022 the TRA published the Statement of Essential Facts (SEF). Following this publication, the TRA received comments from interested parties and contributors, which are available to view on the [public file](#).

After receipt of additional commentary submitted since the publication of the SEF, the TRA has identified two sections of [Milenyum Metal's Verification report](#) that require revision. This document was published on 24 February 2023.

Amendments

The following text replaces the paragraphs identified below:

Page 12 of 22 (paragraph 3)

In the process of verifying the sales transactions, we established that Milenyum Metal's annex data did not include delivery charges for the majority of the listed transactions. Milenyum Metal explained that they do not usually pay for the delivery of the Goods Concerned to the UK. However, as some transactions have incurred delivery charges, we are required to make an adjustment for these in the subsidy assessment, as set out in Section D below.

Page 18 of 22 (paragraph 2)

During our review, we found that the figure Milenyum Metal reported for the Goods Concerned did not reflect the actual benefit attributable to the Goods Concerned. This is because, as explained in Section C above, Milenyum Metal's allocation of freight costs to the Goods Concerned included delivery costs of the Like Goods sold to other countries. This reduced the profit relating to the Goods Concerned and therefore impacts on the Corporate Tax Exemption benefit calculation. We discussed the observation with Milenyum Metal, and they agreed for an adjustment to be made to recalculate the profit relating to the Goods Concerned in order to ascertain the actual Corporate Tax Exemption benefit attributable to the Goods Concerned in the POI.



Explanation

The key consideration for the revision of these sections is Milenyum Metal's recent clarification that:

"Without prejudice to comments above, Milenyum Metal considers that Subsidy calculation and adjustment of the TRA for the Free Zones Corporate Tax Exemption Programme is also inaccurate. This adjustment was provided in the excel file "CAS199 IB - Intermediate Subsidy Calculations (NONC)" Tab "C1_-_Income_statement." The TRA disregarded all Selling Expenses stating that "all the selling expenses (mainly transport costs) were for sales to the USA." However, as shown in the excel file "Costs request - Milenyum Metal," which was prepared on request and reviewed by the verification team during the Verification Visit to Milenyum Metal premises in Kayseri, a) selling expenses other than transport costs (sale personnel salaries), b) other selling expenses (that are less than 1% of production cost) and c) transport costs related to export sales to the UK during the POI (CIF, CPT, DDU delivery terms) were not included in the adjustment."

Implications

On further review of [Milenyum Metal's response to the SEF](#), and the necessary revision of the two sections from its Verification report, we are satisfied this does not impact on our overall conclusions around the verification we completed. It remains that we have obtained sufficient and appropriate evidence to conclude that the information provided by Milenyum Metal is verifiable. Therefore, we still have a reasonable level of assurance that the information is complete, relevant and accurate for the purpose of this investigation. However, the inclusion of other selling costs, as set out in the revised paragraphs above, will require us to revisit our subsidy calculations as set out in the SEF when we complete our Final Determination.

Other Comments

Other submissions from Milenyum Metal in response to the SEF have been assessed and will be taken account of in the Final Determination.