



## Verification report – Overseas Exporter Case NE0048: Ceramic Tableware from China

<b>Period of Investigation (POI):</b>	1 January 2011 – 31 December 2011
<b>Date of report:</b>	28 May 2024
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<b>Company verified:</b>	Linyi Hongshun Porcelain Co., Ltd (the Applicant)

For further details, please see the [Notice of initiation](#) on the public file.



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## Executive summary

The Trade Remedies Authority (TRA) initiated a new exporter review on 20 December 2023, of anti-dumping duties on imports of ceramic tableware (the goods subject to review) originating in the People's Republic of China (PRC).

When conducting this review, we will consider if the Applicant:

- is related to any overseas exporter:
  - who is subject to the application of an anti-dumping amount in respect of the goods subject to review; or
  - who exported the goods subject to review into the European Union (EU) during the EU period of investigation (EU POI) of 1 January 2011 to 31 December 2011;
- exported the goods subject to review to the EU during the EU POI;
- is exporting or has a contractual obligation to export, the goods subject to review, to the UK.

As part of the review, the TRA sought to assess the completeness, relevance, and accuracy of the information that the Applicant provided in the [Application](#) to the TRA. We reconciled the financial statements and the financial data provided in the Application in order to verify the consistency and completeness of the information. We verified accuracy and relevancy of data by tracing a sample of transactions to its source documentation.

The TRA has a reasonable level of assurance on the relevance, completeness and accuracy of the data provided. The TRA considers, with the information available, that the Applicant meets the conditions as set out in regulations 71(2) and 71(3) (and applying regulation 94B) of regulation 71(1) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (the Regulations).



## Verification

We set out to determine whether the information provided by the Applicant is verifiable. The TRA requested and verified information relevant to the three New Exporter considerations:

1. Relation to other overseas exporters
2. Export activities to the EU during the EU POI
3. Export activities to the UK

The Applicant provided all source documentation requested for 2011, with some minor exceptions where reasonable explanations or alternative documentation was provided.

Please find below a summary of work that has been completed and the checks that have been carried out by the case team to determine whether the information provided by the interested party in the Application is verifiable.

### What information was considered

- The Application
- Financial Statements covering the EU POI;
- Sales ledger for the EU POI; and
- Supporting documents to evidence data in the sales ledger

### How the information was checked

#### 1 Relation to other overseas exporters

The Applicant's provided its Articles of Association that contained details of its share ownership in the Application. The TRA conducted online research and requested written statements from the shareholders confirming whether they had shareholdings in any other PRC based manufacturer of the goods subject to review.

On our request, the Applicant provided:

1. An English translation of the shareholding page of its articles of association, which we checked to confirm the accuracy of the translation.
2. A signed statement from each of the named shareholders, confirming that the shareholding "has never been changed since the company was incorporated in 2004" and that they "have no other shareholding in another PRC based manufacturer of the goods subject to review".

We found no evidence of any relationship with an existing company subject to the measure.

#### 2 Export activities to the EU during the EU POI

We noted that the Applicant's financial statement for the EU POI was not audited. The Applicant provided transaction-by-transaction sales listings for the EU POI, which included all domestic and export sales. We analysed the sales listing and reconciled it to the financial statements, and we found that the total turnover in the Applicant's annual accounts for the EU POI year, matched the turnover in its sales listing. This work provided us with a reasonable level of assurance on the completeness of the listing.

We asked for the destination of all the goods sold during the EU POI to be included in the sales listing, which showed that no sales in the EU POI were shipped to an EU country.

We then checked a sample of export sales against the following source documents:



- Customer's purchase order
- Pro-forma invoice generated by the Applicant
- Banking deposit slip
- Port declaration

We were able to verify the accuracy by correlating the sales information in the application to source documentation. There were a small number of documents the Applicant was unable to provide. In those instances, and where we had queries, the exporter was able to provide explanations and additional supporting evidence. We also checked a sample invoices that the Applicant had classified as domestic sales within the PRC, against the corresponding domestic VAT invoices. We concluded that the transactions we checked were, in fact, accurately allocated to domestic sales. The work provided us with a reasonable level of assurance on the relevance and accuracy of the sales data provided in the application.

### 3 Export activities to the UK

The Applicant provided proof of a contractual obligation to export to the UK by providing various forms of evidence including screenshots of the UK customer's online purchasing and order portal, a purchase order setting out the goods to be exported, email communications confirming the order with the UK customer and a contract revision report from the UK customer, which confirmed its overall contractual obligation to export the goods subject to review to the UK.

The Applicant, having begun exporting the goods subject to review to the UK after the initiation of this review, subsequently provided several commercial invoices and packing lists produced by an agent and issued to a UK importer. It also provided a matching Forwarder's Certificate Receipt (FCR), issued by a global transport and logistics company, relating to the UK sale mentioned in the Application. This evidenced the link between these goods and the UK customer.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### Exceptions/Findings/Adjustments

There were no material exceptions, findings, and/or adjustments to the data. Not all evidence we requested was available, primarily due to the time that has passed since these transactions took place.

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## Conclusions

We reconciled the sales listing to the unaudited financial statements, which gave us a reasonable level of assurance that the sales listing was complete and relevant. We selected a sample of transactions and compared the information in the application to source documents which provided us with a reasonable level of assurance on the relevance and accuracy of the data provided.

The information provided by the Applicant is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA in assessing the application.

The TRA considers, with the information available, that the Applicant meets the conditions as set out in regulations 71(2) and 71(3) (and applying regulation 94B) of the Regulations, namely that it:

- Did not export the goods subject to review to the EU during the EU POI on which the current measure is based;
- Is not related to an overseas exporter who is subject to the current measure and who exported the goods subject to review to the EU during the POI on which the current measure is based; and
- Is exporting or has a contractual obligation to export, the goods subject to review, to the UK.