



**Verification Report – Third Country Producer (TCP)  
Case AD0058: Biodiesel from the People’s Republic of China**

<b>Period of Investigation (POI):</b>	1 April 2023 – 31 March 2024
<b>Injury Period:</b>	1 April 2020 – 31 March 2024
<b>Date of report:</b>	8 April 2025
<b>Case team contact details:</b>	<a href="mailto:AD0058@traderemedies.gov.uk">AD0058@traderemedies.gov.uk</a>
<b>Interested party verified:</b>	[Redacted company name]

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



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## Executive Summary

On 26 March 2024, the TRA received an application lodged by the Renewable Transport Fuel Association (RTFA) alleging that biodiesel imported into the UK from the PRC has been or is being dumped and that the dumping has caused or is causing injury to the UK industry in the goods.

The dumping investigation was initiated by the TRA on 5 June 2024, and the original notice of initiation (NOI) was published on that date.

More information about the case can be found on the [public file](#).

[Redacted company name] registered to AD0058 anonymously as a Third Country Producer (TCP) following an invitation for producers in the proposed benchmark country of Malaysia to register to the case. Further information on benchmark country can be found on the [public file](#). [Redacted company name] is a Malaysian based company engaged in the manufacture and sale of biodiesel. It submitted a completed TCP questionnaire and annex.

The TRA sought to verify the completeness, relevance and accuracy of the information submitted.

The TRA:

- conducted a walkthrough of the accounting systems to assess how much reliance we can place on information produced by the system.
- compared questionnaire responses and other accompanying evidence and information to open sources such as company registers, company websites, to checking for consistency.
- checked information and data (information) provided for consistency with financial statements.
- conducted verification activities deemed appropriate to the role of a TCP.

Based on the verification activity undertaken the TRA have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by [Redacted company name] to use for the purpose of this investigation.

## Purpose of verification

The purpose of the TRA's verification activity is to determine whether the information provided by interested parties is complete, relevant, and accurate and can be used in our investigation. This verification report sets out the conclusions reached for each component part that covers the scope of our work. It also provides an overall conclusion stating the level of assurance reached.



The information verified may then be considered in our assessments and analysis to determine whether dumping has occurred and if this is causing injury to the UK industry. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

We carried out verification activities onsite. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the investigation to obtain assurance upon which to base our case decision.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed, for each component part that covers the scope of our work, on the information submitted by [Redacted company name]. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

## Confidential information

[Redacted company name] must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, [Redacted company name] should delete or redact those sections and provide a non-confidential summary of the information which has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the public file.



## Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by [Redacted company name] in its questionnaire response is complete, relevant, and accurate.

### A. Company structure and associations

#### What information was considered

We considered the following information from the questionnaire:

- Company details
- General company structure, ownership, and management
- Associations with other companies
- Accounting practices and policies

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

#### How the information was checked

##### **Company details**

The TRA compared company details with documents submitted by [Redacted company name] to publicly available information. These documents included [Redacted company name] independently audited financial statements for the year ending December 2023, [Redacted company name] corporate information available on Suruhanjaya Syarikat Malaysia (SSM) the Malaysian statutory body of registration of business, and [Redacted company name] website. We found that the information submitted in its questionnaire was consistent with the documents and information published on [Redacted company name] website.

##### **General company structure, ownership, and management**

The TRA cross-checked the company structure, ownership and management with documents submitted by [Redacted company name] and publicly available information. We found that the information submitted in its questionnaire was consistent with documents submitted by [Redacted company name] and information that is available publicly.

##### **Associations with other companies**

[Redacted company name] has associated parties who are also wholly owned subsidiaries of [Redacted parent company name]. We cross-checked the information that [Redacted company name] submitted on associated parties, with publicly available information and the audited financial statements of [Redacted company name] for 2023.

##### **Accounting practices and policies**

The financial statements for [Redacted company name] are prepared in accordance with Malaysian Generally Accepted Accounting Principles (GAAP) also known as the



Malaysian Accounting Standards Board (MASB). [Redacted company name] financial accounts have also been prepared in accordance with the Malaysian Private Entities Reporting Standard (MPERS), one of three sets of approved accounting standards of the MASB.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous..

Exceptions/Findings/Adjustments

None.

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

Conclusions

The information relating to company structure and associations provided by [Redacted company name] is verifiable. Based on the work performed, 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 publications and for another other purpose within the investigation.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



## B. Accounting Systems and Procedures

### What information was considered

- Information Technology Systems and Applications
- Accounting policies, significant risks, and chart of accounts
- Sales / customer order process and procedures
- Purchase order / invoice approval process and procedures

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

### How the information was checked

#### System Walkthrough

The TRA conducted an onsite walkthrough of [Redacted company name] financial system on 27 February 2025, to review how its purchases and sales are tracked and recorded.

The accountancy system used by [Redacted company name] is [Redacted ERP system name], an enterprise resource planning (ERP) system. During the walkthrough, [Redacted company name] took us through one sales transaction and one purchase transaction. It provided screenshots and evidence of its processes and was able to provide an overview of the systems functionality.

We were able to gain an understanding of the end-to-end processes and system controls. We found that the financial systems [Redacted company name] use are reliable and have sufficient controls in place to produce the information provided in its submission.

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

The redacted information concerns the company name and ERP system used. The disclosure of the company name would not allow the company to remain anonymous. The disclosure of the ERP system may not be in the company's interests.

### Exceptions/Findings/Adjustments

None.

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

### Conclusions

Based on the work performed, we have obtained a basic understanding of the relevant accounting and associated business systems of [Redacted company name]. This



enabled us to plan appropriate verification procedures and understand the level of reliance we can place on their systems.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



### C. Goods

What information was considered
<ul style="list-style-type: none"> <li>Goods description and comparability to the goods concerned/goods subject to review</li> </ul>
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i>
How the information was checked
<p><b>Goods description and comparability to the goods concerned/goods subject to review</b></p> <p>Onsite verification allowed us to identify the PCN categories of [Redacted company name] like goods and we have gained a reasonable level of assurance on the applicable PCN's of their like goods. [Redacted company name] provided us with an overview of its by-products, and we have a reasonable level of assurance that these by-products have been correctly excluded from the figures provided to us concerning it's like goods.</p>
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i>
The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.
Exceptions/Findings/Adjustments
None.
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i>
Conclusions
<p>The information relating to the company's goods provided by [Redacted company name] is verifiable. Based on the work performed, 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 calculations and for any other purpose within the investigation.</p>
<i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i>
The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



## D. Costs

### What information was considered

- Cost reconciliations
- Sample tests of relevant cost components such as
  - Raw materials
- Associated party transaction and arm's length prices

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### How the information was checked

#### Cost reconciliations

To check the completeness of the cost data submitted by [Redacted company name] we reconciled costs upwards to the audited financial statements. The financial year for [Redacted company name] is from 1 January to 31 December, which does not align with the POI for this investigation. However, [Redacted company name] was able to provide trial balances for the POI and financial year which were extracted from its accounting system. We aligned the financial statements for [Redacted company name] to the POI using its trial balances and then agreed the cost of all goods sold by [Redacted company name] as reported in its questionnaire annex to its aligned financial statements.

#### Sample testing

We tested a sample of 15 raw material purchase transactions that took place during the POI. For each sampled raw material transaction we requested source documentation, including: purchase order, invoice, bank remittance advice and delivery note. We compared the source documents to the information submitted and found no issues.

#### Associated party transaction and arm's length prices

[Redacted company name] purchases from several associated companies. We found that prices are agreed by reference to third party commodity indexes and that [Redacted company name] is audited for transfer pricing. We found no issues and that the purchases were made at an arm's length price.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.

### Exceptions/Findings/Adjustments

None.

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



Conclusions

The information relating to costs provided by [Redacted company name] is verifiable. Based on the work performed, 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 for the calculations and for any other purpose within the investigation.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



E. Sales

What information was considered

- Sales reconciliations
- Associated party sales

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

How the information was checked

**Sales reconciliation**

To check the completeness of the sales data submitted by [Redacted company name] we reconciled upwards to the audited financial statements. The financial year for [Redacted company name] is from 1 January to 31 December, which does not align with the POI for this investigation. However, [Redacted company name] was able to provide a trial balance for the POI and the financial year which were extracted from its accounting system. We aligned the financial statements for [Redacted company name] to the POI using its trial balances and then reconciled the total sales revenue for all goods sold by [Redacted company name] as reported in its questionnaire annex to its aligned financial statements.

**Associated party sales**

We found some sales by [Redacted company name] are not sold directly to the end buyer, and are instead sold via an associated party, with [Redacted company name] still delivering the goods to the end buyer. We found that prices are agreed by reference to third party commodity indexes and that [Redacted company name] is audited for transfer pricing to ensure they abide by this convention. We found no issues and that the sales were made at an arm's length price.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.

Exceptions/Findings/Adjustments

None.

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

Conclusions

The information relating to sales provided by [Redacted company name] is verifiable. Based on the work performed, 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 its calculations and for any other purpose in the investigation.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



## F. Other

### What information was considered

As reported in Annex III, costs data relating to:

- Land-use rights
- Energy
- Employment
- Raw materials
- Loans and export contingent loans

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

### How the information was checked

We checked the cost data submitted to us in Questionnaire Annex III. These checks covered the areas outlined below.

#### **Land-use rights**

We gained an understanding of how [Redacted company name] land-use rights work in practice. We checked the applicable information concerning [Redacted company name] land-use rights as listed in the questionnaire annex to [Redacted company name] audited financial statements and the land deed certificate and found no issues. We therefore have a reasonable level of assurance that the figures have been reported accurately in the annex. The costs for land-use rights are amortised over the life of contract.

#### **Energy**

We checked the information submitted by [Redacted company name] regarding its energy costs by reconciling the information provided to relevant utility invoices. The reported cost for gas was updated due to an error found in the method used to calculate total usage which [Redacted company name] agreed with. We have no outstanding queries and therefore have a reasonable level of assurance on the information provided by [Redacted company name] regarding its energy costs.

#### **Employment**

We compared the employment cost to the financial accounts and [Redacted company name] explained how they extracted the employment information from their systems. We gained a reasonable level of assurance on the labour costs reported by [Redacted company name] in Annex III. However, the productive hourly cost was updated during verification due to an error in the formula originally used. We have no outstanding queries.

#### **Raw materials**

In order to check the information submitted regarding raw material costs we sampled a selection of 15 raw material purchase transactions and were able to fully agree the



information submitted in the annex to the source documents provided. We also checked that the figures provided for raw material costs in Annex III reconciled to the raw materials purchase annex submitted by [Redacted company name]. We were able to fully agree the figures provided for the raw material benchmarks to the raw material purchase transactions for the raw materials of which we are relevant (used cooking oil and methanol) and have no concerns.

**Loans and export contingent loans**

The information provided by [Redacted company name] concerning loans was fully agreed to their audited financial statements and [Redacted company name] confirmed it had [redacted status of loans]. We have no outstanding queries and determine we have a reasonable level of assurance on the information submitted by [Redacted company name] regarding its loans.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.

**Exceptions/Findings/Adjustments**

None.

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

**Conclusions**

The information relating to other factors provided by [Redacted company name] is verifiable. Based on the work performed, 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 for calculations and for any other purpose in the investigation.

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

The redacted information concerns the company name. The disclosure of the information would not allow the company to remain anonymous.



## Conclusions

We gained an understanding of [Redacted company name], its structure and associated parties by checking the information submitted to us to publicly available information and the independently audited financial statements of [Redacted company name] and its parent company [Redacted parent company name]. We gained a reasonable understanding of [Redacted company name] products and determine [Redacted company name] to be an appropriate third country producer for the purpose of the investigation.

We conducted upwards cost verification by reconciling the figures submitted to the audited financial statements. We gained a reasonable level of assurance over the completeness and relevance of the cost to make and sell information submitted within the questionnaire. We gained a reasonable level of assurance on the accuracy and relevance of the cost data by tracing a sample of raw material purchase transactions to source documents.

We conducted upwards sales information by reconciling the figures submitted to the audited financial statements. We gained a reasonable level of assurance over the completeness and relevance of the sales information submitted within the questionnaire.

[Redacted company name] provided sufficient and appropriate evidence, which enabled us to conduct verification work on a sample basis as detailed in the above sections. Based on the work performed, we have a reasonable level of assurance that the information provided in its questionnaire response is complete, relevant, and accurate for the purpose of this investigation.



## Annexes

### Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
27/02/2025	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[redacted – personal information]	[redacted – personal information]