



## Verification report – UK Importer Case TD0029 - Certain Cast Iron Articles originating from the People's Republic of China

Period of Investigation (POI):	01 October 2021 – 30 September 2022
Injury Period:	01 October 2018 – 30 September 2022
Date of report:	TBC
Case team contact details:	TD0029@traderemedies.gov.uk
Company verified:	EJ UK Fabrication & Access Solutions Limited

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



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## Executive Summary

On 23 November 2022, the Trade Remedies Authority (TRA) initiated a transition review for Certain Cast Iron Articles originating from the People's Republic of China ('the goods subject to review').

The UK Trade Remedies Authority carries out a transition review of each trade remedy measure active under the European Union (EU) system that the UK transitioned following the exit from the EU.

More information about the case can be found on the public file:

[Case TD0029 public case file](#)

The Period of Investigation (POI) is from 1 October 2021 to 30 September 2022.

EJ UK Fabrication & Access Solutions Limited (EJ) is an importer of the goods subject to review and returned both a completed confidential and non-confidential importer questionnaire ("questionnaire"). The TRA sought to verify the completeness, relevance and accuracy of the data submitted.

We compared questionnaire responses and accompanying evidence against information from open sources, such as Companies House, and HMRC, etc. Information was checked for consistency with audited financial statements and responses from other interested parties. We conducted a walkthrough of the accounting systems to assess the level of reliance we can place on data produced. An onsite verification visit was performed to assess the completeness, relevance and accuracy of the data provided in EJ's questionnaire response and supporting documents.

The TRA does not have any concerns to report in respect of information provided by EJ. We were able to verify selected samples of information provided by EJ in its questionnaire response, annex data and throughout the verification process. Where discrepancies were identified, EJ resolved these satisfactorily and provided the TRA with an updated questionnaire response..

Based on the verification activity undertaken, we have a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by EJ, and it can be used for the purpose of this review.

## Purpose of verification

The purpose of the TRA's verification activity is to provide the assurance considered necessary to make a decision as to whether the information (data) provided by EJ is verifiable and can be used for the purposes of our investigation.. Such data may then be considered in our assessments and analysis to determine whether injury is



caused or likely to be caused to the UK industry by dumped or subsidised imports of the goods subject to review. This will form the basis for establishing appropriate measures where necessary, and to assess whether these are in the UK's economic interest.

Verification activity is carried out through desk-based procedures, remote analysis and verification work on-site. The activity undertaken did not seek to verify all information provided but to undertake the work considered appropriate and practicable within the time constraints of the investigation to obtain assurance on which to base our decision.

This verification report documents the work we have completed. The TRA carried out a variety of verification procedures and checks on EJ and this report details the conclusions reached about the completeness, relevance and accuracy of information provided.

## Confidential information

EJ must provide a non-confidential version of the verification report marked as "non-confidential" in the header of the non-confidential verification report.

If any information contained in the confidential verification report is considered confidential, EJ should delete or redact those sections and provide a non-confidential summary of any information removed. It must provide reasons why 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 that has been completed and the checks that have been carried out by the TRA to determine whether the information provided by EJ in its questionnaire response is verifiable.

### A-I. Company structure and associations

<b>What information was considered</b>	
<p>We considered the following from the questionnaire:</p> <ul style="list-style-type: none"> <li>• General set-up, including the ownership and management of the company.</li> <li>• Associations.</li> <li>• Accounting practices and policies.</li> </ul>	
<ul style="list-style-type: none"> <li>• <i>Please indicate the confidentiality status of the information summarised above:</i></li> </ul>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<p><i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i></p>	
<b>How the information was checked</b>	
<p><b>General set-up, ownership, locations, and management</b> The TRA cross-checked information provided by EJ relating to general set-up, ownership, year of establishment, location, memberships or accreditations, and number of employees by examining official documents on Companies House, including the Certificate of Incorporation and the company's audited financial reports.</p> <p>EJ UK Fabrication &amp; Access Solutions Ltd is ultimately owned by parent company EJ Group Inc, the goods subject to review are imported under EJ. We found the information from those sources to be consistent with the information provided by the company in its questionnaire response.</p>	
<p><b>Associations</b> We reviewed the company's associations by comparing audited financial reports published on Companies House, which were also examined to check whether the Directors of EJ were associated with other companies. We found no such associated parties.</p>	
<p><b>Accounting practices and policies</b> The financial statements for EJ are prepared in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework (FRS102). In preparing the company</p>	



applies the recognition, measurement, and disclosure requirements of International Financial Reporting (IFRS) in conformity with the requirements of the Companies Act 2006 and as set out in the financial statements where disclosure exemptions were taken.

Detailed accounting policies for the company are included in the audited financial statements. As a result, we were able to verify the basis for accounts preparation, the financial year convention, the method for valuing stock, the method for depreciating assets, and the method for revenue recognition. There were no discrepancies between those results and EJ's response to the importer questionnaire.

**Accounting system walkthrough**

On 16 June 2023, the TRA conducted a remote walkthrough of EJ's accounting systems (System Names REDACTED - commercial information) on how import purchases and sales orders were tracked. This contributed to our understanding of the accounting processes and helped us determine whether we could rely on the accounting system for the information provided for sales and import purchases. ERP System 1 (System Name REDACTED - commercial information) was in operation from October 2021 to December 2021 and ERP System 2 (System Name REDACTED - commercial information) was used from January 2022 onwards. We were also able to determine where procedures were automated or manual and whether segregation of duties was in place for authorising transactions.

During the walkthrough we found that EJ's sales process was integrated with no manual interventions needed. We were able to trace the sales transactions selected to source documentation i.e., the invoice, purchase order and bank statements. Revenue is recognised at point of dispatch, and this is consistent with the company's policy. Accounting entries are automatically processed in the accounting system upon the creation of an invoice and the receipt of funds into the bank account.

For purchases, we were also able to trace back selected transactions to source documentations and the ledger. All key processes are automated with the exception of raising of the purchase orders. We traced the purchase transaction through from the purchase order, supplier invoice, packing list and through to payment.

Through the sales and purchase transactions selected for the walkthrough, we obtained supporting evidence and viewed the transactions in the system and determined that these processes have been designed and implemented sufficiently. Based on this walkthrough, we have a reasonable level of assurance on the reliability of the systems in place from which the information we have been given was sourced.

*Please indicate the confidentiality status of the information summarised above:*

non-confidential

confidential



<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	
<b>Exceptions/Findings/Adjustments</b>	
We found no issues with the data presented and checked. No adjustments or amendments were required.	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	
<b>Conclusions</b>	
The information relating to company structure and associations, and accounting processes that we have been provided by EJ 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. The data can be used by the TRA for this transition review.	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	

**A-II. Goods**

<b>What information was considered</b>	
We examined the following from the questionnaire: <ul style="list-style-type: none"> <li>• Product Control Number (PCN) allocations and internal coding system.</li> <li>• Goods description and comparability to the like goods made and sold in the UK.</li> <li>• Verification of information supplied in the questionnaire annex in relation to the supplier, the manufacturing process of the supplier and supply chain.</li> </ul>	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential



*If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also [public guidance](#)):*

How the information was checked

**PCN allocations and internal coding system**

EJ have an internal coding system which assigns an Internal Code Number dependant on the products characteristics. The PCN EJ assigned to each product description, was compared against product brochure, website data, and invoice details to check that EJ had followed the PCN structure correctly in its questionnaire response.

**Brochures/Catalogues**

We verified that the products described in the brochures had been sold during the POI by comparing them to the internal coding and PCN structure. From inspection of the warehouse during the onsite verification visit, we can confirm EJ imports the goods subject to review and other goods.

**Goods description and comparability to the goods subject to review**

The products EJ declared as not the like goods were compared against the scope of products described in the case initiation document. To ensure that the PCN structure had been followed correctly, a selection of PCNs was compared. There was no evidence that any goods had been incorrectly excluded or included.

**Verification of supplier information**

We cross-checked all worksheets in the questionnaire annex to ensure that there was consistency between internal product codes, PCNs, and product information sheets. We found no product codes or PCNs in the annex document that were not described in the questionnaire. Figures allocated to each PCN in each annex could always be reconciled to the same allocation as reported in all other relevant areas of the questionnaire and matched the description of goods subject to review.

We have a reasonable level of assurance that the information relating to products that EJ has provided is verifiable and can be treated as complete, relevant, and accurate.

*Please indicate the confidentiality status of the information summarised above:*

non-confidential

confidential

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Exceptions/Findings/Adjustments



We found no issues with the data presented and checked. No adjustments or amendments were required.	
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<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	
<b>Conclusions</b>	
The information relating to the company's goods that we have been provided by EJ 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. The data can therefore be used by the TRA for the purpose of this review.	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	

**B. Imports and forward orders**

<b>What information was considered</b>	
<b>Upwards verification</b>	
We compared the following import data in EJ's questionnaire annex to its trial balance, management accounts, and audited financial accounts, to ensure the data we rely on is complete:	
<ul style="list-style-type: none"> <li>• Total costs for imports within the POI.</li> <li>• Management accounts and trial balance covering 1 October 2021 to 31 December 2021 and 1 January 2022 to 30 September 2022 and the audited accounts for year ended 31 December 2021 and 31 December 2022.</li> <li>• List of products imported during the POI.</li> </ul>	
<b>Downwards verification</b>	
<ul style="list-style-type: none"> <li>• Supporting documentation for a sample of import transactions, including copy of packing list, purchase order, purchase invoice and bank payment made.</li> </ul>	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential



*If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also [public guidance](#)):*

How the information was checked

### Upwards verification

The TRA performed upwards verification of imports data provided to confirm the completeness and relevance of the total import data set provided in the questionnaire response. We were unable to reconcile the reported total import cost data to the financial statements for the year ending 31 December 2022. EJ's financial year runs from 1 January 2022 to 31 December 2022, which does not align with the POI for this transition review. We therefore aligned information for review using the trial balance and management accounts for both financial years to data contained in its questionnaire response.

During the verification visit we were unable to reconcile the import transaction data submitted in the questionnaire annex data to EJ's accounting systems. However, the import transactions were revised by EJ with an updated annex provided, with a walkthrough of the process to inform us how it completed the exercise.

The TRA was able reconcile the import data provided by EJ to its financial statements and trial balance. We have a reasonable assurance that the information provided is complete and relevant.

### Downwards verification

The TRA performed downwards verification of import data provided by EJ to confirm the accuracy and relevance of the information provided. We traced selected transactions to source documents, checking for consistency.

We selected a sample of 13 transactions for downward verification based on our analysis of trends in volume, value, and average unit price to identify outliers in the data. The sampled transactions were agreed back to source documents provided by EJ.

The weight, value, and other fields of information within the import data was traced downwards to validate the accuracy of the data submitted relating to the goods subject to review.

During this exercise it became apparent that the quantity and value of products imported from Supplier 1 (Supplier Name – REDACTED – Commercially Sensitive Information) had been under-reported. Following discussions on this with management, EJ provided an updated annex. A satisfactory explanation of the methodology used when compiling the updated annex was also provided in a subsequent meeting.



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<b>Exceptions/Findings/Adjustments</b>	
None	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	
<b>Conclusions</b>	
The information relating to imports provided by EJ is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information provided can be treated as complete, relevant, and accurate. The data can be used by the TRA for this transition review.	
<i>Please indicate the confidentiality status of the information summarised above:</i>	
<input checked="" type="checkbox"/> non-confidential	<input type="checkbox"/> confidential
<i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i>	

C. Sales

<b>What information was considered</b>
<p><b>Upwards verification</b> We compared the following sales data in EJ's questionnaire annex to its trial balance, management accounts, and audited financial accounts, to ensure the data we rely on is complete:</p> <ul style="list-style-type: none"> <li>• Total sales within the POI.</li> <li>• Management accounts and trial balance covering 1 October 2021 to 31 December 2021 and 1 January 2022 to 30 September 2022 and the audited accounts for year ended 31 December 2021 and 31 December 2022.</li> <li>• List of sales during the POI.</li> </ul>



**Downwards verification**

- Supporting documentation for the sample of sales transactions, including copy of sales order, sales invoice and bank payment received.

Please indicate the confidentiality status of the information summarised above:

non-confidential

confidential

If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also [public guidance](#)):

How the information was checked

**Upwards verification**

We performed upwards verification to confirm the completeness, relevance and accuracy of the total sales data provided in the questionnaire response. As noted, EJ's financial year and the POI do not align. We therefore used the financial statements, the trial balances and management accounts to reconcile to the data provided in the questionnaire response. We encountered issues initially; however, these were satisfactorily resolved with an update to the annex.

**Downwards verification**

A sample of 12 transactions were initially selected based on the original questionnaire submission received. However, as detailed above, following receipt of an updated questionnaire response, we requested a further 5 sales transaction samples. The supporting information provided for all 17 transactions selected agreed back to the information provided in the questionnaire response with the exception of one sales transaction for which payment receipt could not be reconciled to the invoice. This is not a material issue.

**Price reductions**

We identified and verified price reductions reported in the questionnaire response and transaction listing. We obtained an understanding of why price reductions occur and how they are processed and assessed.

We queried the price reductions identified in the questionnaire responses. We walked through how these are processed using an example month (February 2022).

For the samples which contained price reductions, we were able to agree either the rebate/discount to sales contracts and/or sales invoice documentation and found the transactions were correctly represented.



Please indicate the confidentiality status of the information summarised above:	
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If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a> ):	
Exceptions/Findings/Adjustments	
No adjustments or amendments were required.	
Please indicate the confidentiality status of the information summarised above:	
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If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a> ):	
Conclusions	
The information relating to sales provided by EJ is verifiable. Based on the work we have done, we have a reasonable level of assurance that the information provided can be treated as complete, relevant, and accurate. The data can be used by the TRA for this transition review.	
Please indicate the confidentiality status of the information summarised above:	
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#### D. Economic Interest Test

What information was considered
EJ completed Section E of its questionnaire regarding the Economic Interest Test (EIT). EJ's responses provided commentary on: <ul style="list-style-type: none"> <li>• Geographical locations of site.</li> </ul>



- Employment figures and breakdown relating to the number of Full Time Equivalent (FTE) working on the Goods Subject to Review.
- Median wage data.
- Impact on its market share if the Anti-dumping Duty (ADD) were removed.
- Impact on the market price of the goods subject to review if the ADD were removed.

Please indicate the confidentiality status of the information summarised above:

non-confidential

confidential

If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also [public guidance](#)):

#### How the information was checked

We reviewed the questionnaire responses, annex data and supporting evidence to determine whether the information provided in relation to EIT can be used for the purposes of the Economic Interest Test assessment.

We selected a sample of upstream suppliers and downstream customers and verified a sample of sales transactions and its company location during the verification visit, conducted between 28 and 30 June 2023.

We requested further evidence whilst on site to verify the number of employees working for EJ. They provided payroll data, and we were able to conclude this information was verifiable. Whilst on site during the verification visit, we asked EJ to explain its methodology for how they allocated the number of employees working on the Goods Subject to Review, and its methodology appeared reasonable. A list of employees working on the Goods Subject to Review was produced manually. We were able to cross-check this information with HR records, and carryout a head count at the site. The data provided by EJ was reasonable and within the acceptable parameters for the purposes of the EIT assessment.

To verify the median wage data, we used the payroll data provided on site to tally total employees and gross wages, then calculated the median wage. We have a reasonable assurance over the accuracy of this data, it can therefore be used in EIT assessments.

The information provided by EJ in its questionnaire responses, in relation to market share if the ADD were removed, was not supported by evidence, however this is understandable as this is forward looking. We asked further questions on site to probe the responses in the questionnaire, and we believe the assumptions to be reasonable.



<p>The information provided by EJ in its questionnaire responses, in relation to market price of the goods subject to review if the ADD were removed, was not supported by evidence. Again, this is understandable as this is forward looking, however, to probe the responses in the questionnaire, we asked further questions on site. The assumptions underpinning the submission in the questionnaire response appears reasonable.</p>	
<p><i>Please indicate the confidentiality status of the information summarised above:</i></p>	
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<p><i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i></p>	
<p><b>Exceptions/Findings/Adjustments</b></p>	
<p>None.</p>	
<p><i>Please indicate the confidentiality status of the information summarised above:</i></p>	
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<p><i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i></p>	
<p><b>Conclusions</b></p>	
<p>The information relating to EIT that we have been provided by EJ where data was available, 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. The data can be used by the TRA for purpose of this review. Data, such as the forward-looking information was determined to be not verifiable. However, the TRA found the information and reasoning given by EJ to be acceptable and therefore this data can be used for the purpose of this review.</p>	
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<p><i>If applicable, please specify what particular information you consider to be confidential, provide reasons as to why we should treat it as such, and create a non-confidential version of it (see also <a href="#">public guidance</a>):</i></p>	



## Conclusions

The TRA has completed verification of the data provided by EJ for use in our assessments. We were originally not able to reconcile the sales and import purchase data supplied within the questionnaire annex to EJ's accounting systems. EJ provided a revised questionnaire annex for sales and imports that agreed to its accounting system. We tested additional transactions to ensure completeness of the new data, and found no anomalies.

We have obtained sufficient and appropriate evidence to conclude that the information provided by EJ under all the sections above is verifiable. Therefore, we have a reasonable level of assurance that the information is complete, relevant, and accurate, and can be used for the purpose of this review.

## Annexes

### Annex 1: Meetings

Date and duration	Type of authentication	Company representatives	TRA representatives
16 June 2023	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	NAMES REDACTED – data privacy.	NAMES REDACTED – data privacy.
28 – 30 June 2023	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	NAMES REDACTED – data privacy.	NAMES REDACTED – data privacy.
13 – 14 July 2023	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	NAMES REDACTED – data privacy.	NAMES REDACTED – data privacy.