



Verification report – Importer Case AS0046: Certain excavators from China

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|---------------------------------------|--|
| Period of Investigation (POI): | 1 July 2022 to 30 June 2023 |
| Injury Period: | 1 July 2019 to 30 June 2023 |
| Date of report: | 25 March 2025 |
| Case team contact details: | AS0046@traderemedies.gov.uk |
| Interested Party verified: | Finning (UK) Ltd |

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



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Executive Summary

The Trade Remedies Authority (**TRA**) is conducting an anti-subsidy investigation to determine whether injury is being caused to the UK excavator industry due to subsidisation of Certain Excavators imported into the United Kingdom (**UK**) from China.

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

[AS0046 - Certain excavators from PRC](#)

Finning (UK) Ltd (**Finning**), a domestic importer of the goods concerned, returned a completed, domestic importer questionnaire ('questionnaire response'). Finning imports the goods concerned produced by Caterpillar (Xuzhou) Ltd through Caterpillar SARL based in Switzerland. The TRA sought to verify the completeness, relevance and accuracy of the information submitted.

- We conducted a walkthrough of the accounting systems to assess how much reliance we can place on information it produced.
- We compared questionnaire responses and other accompanying evidence to open sources such as Companies House and Finning's website checking for consistency.
- We checked information and data provided for consistency with financial statements and responses from the exporter.
- We conducted a remote verification engagement where Finning explained its calculations and demonstrated how information provided in its questionnaire response reconciles to that on its supporting documents and accounting system.

Based on the verification activity undertaken the TRA has a reasonable level of assurance on the completeness, relevance and accuracy of the information provided by Finning and we can use it for the purposes 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 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 subsidisation has occurred and if this subsidisation 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 remotely. 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 that covers the scope of our work, on the information submitted by Finning. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

Confidential information

Finning 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, Finning 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 Finning in its questionnaire response is complete, relevant, and accurate

A. Company structure and associations

| What information was considered |
|--|
| <ul style="list-style-type: none"> • Company details • Owners and shareholders • Associated companies |
| <p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see Confidential information):</i></p> |
| How the information was checked |
| <ul style="list-style-type: none"> • We reviewed the company details provided and information on products sold by Finning by comparing it with information on its website. • We cross-checked the information the company provided in its questionnaire response about its general set up, role, location and accounting practices for consistency with independent sources including filings at Companies House and other online resources. |



- The POI straddles two financial years ended December 2022 and 2023. We examined the financial statements for the financial year ended December 2022 and 2023 published available on Companies House for consistency with information regarding ownership, shareholders, associated companies, and accounting policies and practices provided in questionnaire responses.
- We found that the information from the financial statements and Finning’s website aligns with what the companies provided in questionnaire responses.

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

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 Finning 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 subsidy and injury assessments 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](#)):

B. Accounting Systems and Procedures

What information was considered

- Information Technology Systems and Applications



- Accounting policies, significant risks, and chart of accounts
- Sales and customer order process and procedures
- Purchase order and 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

We conducted a walkthrough of Finning’s accounting systems to gain an appreciation of the applications used and processes in place, to inform our assessment of the level of reliance to place on the data provided. Finning [Sensitive information removed – Finning's business operations].

- We conducted a sale and purchase order process walkthrough. Finning explained how purchases and sales transaction were processed, step by step through the accounting system from inception to being recorded on the relevant ledger.
- We reviewed accounting policies listed in the notes to audited financial statements. The financial statements are in accordance with the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
- Finning demonstrated how information provided in the questionnaire response was [Sensitive information removed – Finning's business operations].

We found no material risk factors when reviewing the accounting system.

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



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 Finning. This enabled us to plan appropriate verification procedures.

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

C. Goods

What information was considered

- Description of the goods in scope
- Product Control Numbers (PCNs)
- Internal coding systems

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 reviewed Finning's submitted weight and description of goods provided in the questionnaire response against the allocated PCN.
- We examined import documentation during verification to check the weight of the goods declared.
- We examined Finning's internal coding system during verification.
- We analysed Finning's internal coding system and its correspondence with each PCN. We also reviewed the import documentation to verify the accurate allocation of PCNs to the goods in scope. Our findings indicate



that the PCN structure has been consistently applied across submitted information.

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

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 the company’s goods provided by Finning 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 subsidy and injury assessments 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](#)):

D. Imports

What information was considered

- Finning’s import purchases
- Information from Finning’s accounting system

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 reviewed the purchase dates of all transactions provided in the questionnaire response and were satisfied that all occurred during the POI.
- Finning demonstrated how it extracted its full list of imports from the accounting system, and explained how it identified goods in scope. We were satisfied that the purchases transactions listing was complete.
- We reconciled the extract of import transactions to the questionnaire annex with no issues identified.

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

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 imports and forward orders provided by Finning 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 subsidy and injury assessments 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](#)):



E. Sales

What information was considered

- Sales transactions
- Pricing and price reductions
- Delivery charges
- Other selling expenses

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

- The TRA selected a random sample of domestic sales transactions for verification. Finning provided source documentation such as sales orders, sales invoices, [*Sensitive information removed – Finning's business operations*] records and various documentation.
- These transactions were tested for relevance and accuracy by agreeing the transaction details to relevant source documentation with no issues.
- We also reviewed source documents to ensure that any price reductions or delivery charges were reflected in the questionnaire response with no issues identified.
- Finning further provided a breakdown of other administration selling and general expenses allocated to PCNs. We discussed the basis of these selling expenses; the underpinning assumptions and methodology used to allocate these appeared reasonable.

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

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 Finning 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 subsidy and injury assessments 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](#)):

Conclusions

We verified company details and ownership information provided by Finning by comparing it with information in its audited financial statements, company websites and Companies House. We gained an understanding of Finning goods concerned and reviewed the accuracy of PCN allocation. During verification, we were able to reconcile information provided in questionnaire responses to that in Finning’s accounting systems. Finning also demonstrated how it generated data for annexes using its accounting system and walked us through how to reconcile the data to its questionnaire response. A sample of sales transactions were also traced back to source documents with no material issues.

Finning 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 purposes of this investigation.



Trade Remedies
Authority

OFFICIAL

Confidential

Trade Remedies Authority

Non-Confidential



Annex

Annex 1: Meeting

| Date and duration | Type of authentication | Company representatives | TRA representatives |
|--------------------------|--|---|---|
| 17 March 2025 4 hours | <input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site | <i>[Sensitive information removed – Personal information]</i> | <i>[Sensitive information removed – Personal information]</i> |