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**Committee on Anti-Dumping Practices  
Working Group on Implementation**

**UNOFFICIAL ROOM DOCUMENT<sup>1</sup>**

**COMMITTEE ON ANTI-DUMPING PRACTICES  
WORKING GROUP ON IMPLEMENTATION**

MEETING ON THURSDAY, 21 NOVEMBER 2019 – FRIDAY, 22 NOVEMBER 2019

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**Comité des pratiques antidumping  
Groupe de travail de la mise en œuvre**

**DOCUMENT DE SÉANCE NON OFFICIEL<sup>1</sup>**

**COMMITTEE ON ANTI-DUMPING PRACTICES  
WORKING GROUP ON IMPLEMENTATION**

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**Comité de Prácticas Antidumping  
Grupo de Trabajo sobre la Aplicación**

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\* In Original language only/En langue originale seulement/En el idioma original solamente.

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| To: All Delegations  | Date: 11/10/2019 |
| From: Jill Pollack, Discussant<br>AD Working Group on Implementation |                  |

**Committee on Anti-dumping Practices:  
Working Group on Implementation  
Meeting on Thursday, 21 November – Friday, 22 November 2019**

As you know, the Working Group on Implementation will be meeting in the week of 18 November 2019 to discuss issues relating to (i) verification procedures; (ii) treatment of financial expenses and financial income in dumping margin calculations/sales below cost test; and (iii) determination of the base price for the below-cost test. The meeting will be held on **Thursday, 21 November**, continuing on **Friday, 22 November** as required.

As the discussant for this session, I have prepared the **attached outline** of possible issues for this discussion. This outline is not a comprehensive list of issues, but I hope that it will provide you with a good basis for reflection and will help to structure the discussion.

If there are any **other relevant questions** you would like to see included in the discussion, I strongly encourage you to **forward them to me** ([Jill.Pollack@trade.gov](mailto:Jill.Pollack@trade.gov)) and to the Secretariat ([seref.coskun@wto.org](mailto:seref.coskun@wto.org) and [patricia.costarodrigues@wto.org](mailto:patricia.costarodrigues@wto.org)) for inclusion in the outline. I would like this session to be as responsive as possible to your interests and needs.

Given the technical nature of the topics, I encourage you to **send capital-based officials** who can both speak with authority about your own practices and benefit from the experience of others.

While the **submission of papers** is of course not required, I hope that many of you will do so, whether for circulation or distribution as room documents. I note that the early submission of papers would be desirable, as this will help colleagues to prepare for the meeting.

I look forward to this session where the Working Group will continue to serve as a forum for the **exchange of information about practices and experiences** among technical experts. These sessions represent a unique opportunity to hear directly from your colleagues about how to handle complex issues which we all confront in our day to day work as anti-dumping investigators.

Jill Pollack

**COMMITTEE ON ANTI-DUMPING PRACTICES  
WORKING GROUP ON IMPLEMENTATION  
OUTLINE OF ISSUES FOR DISCUSSION  
AUTUMN 2019**

**I. Verification procedures**

1. When do you perform verification visits, before or after preliminary/provisional determinations?
2. Do you always verify the information provided by the domestic industry?
3. Do you always perform foreign verifications?
4. Do you verify the information provided by exporters in all countries involved in the investigation?
5. Do you verify the information of all exporters per country involved?
6. What are the issues influencing the decision not to verify all exports/countries?
7. What are the selection criteria when deciding which exporter(s) to verify?
8. Duration and scope of the verification:
  - a. What is the duration of a typical verification visit – per company?
  - b. Do you verify all the information provided by the interested party or do you select some pieces of information/data to be verified?
  - c. Do you have a checklist of issues to cover during investigation, such as an agenda or otherwise? Do you send letters before verification including details on the scope of the verification visit and/or the verification outline?
  - d. How do you organise the verification in terms of time? Do you have a time-line or agenda with time allotments per verification activity or task? How do you deal with the issue when the verification team cannot keep to the planned time-line?
9. What is the staff number of your verification team normally?
  - a. Only staff working on investigation, or may others be included?
  - b. Is your verification team accompanied by a lawyer/accountant?
  - c. Do you use non-governmental experts in your verification team? If so, how do you ensure confidentiality?
10. What is the language in which verification is done?
  - a. Do you use interpreters? If so, who provides them?
  - b. Do you require a non-disclosure agreement if the interpreters are not associated with the company being verified?
11. What type of personnel do you require to be present/available at the company during the visit?
12. What documents do you require to be available for inspection? Do you inform the verified party about them before the verification visit? Do you want to see the original versions of the documents only? What provisions do you make for companies with largely paperless sales and accounting systems?
13. Does the verification team do plant visits as a rule/exceptionally/never?
14. Do you accept new information during verification? Do you allow parties to change or supplement information during verification?
15. Do you request any additional information or documents during verification including the ones on the adjustments not individually claimed by the parties?
16. Do you allow government officials to be present during verification?

17. Do you accept logistical aid from exporters?
18. How do you "manage" hospitality extended by exporters to the team?
19. Final steps before leaving exporter:
  - a. Do you require the exporter to sign off on a document?
  - b. Do you leave a record of verification?
20. Do you prepare a verification report after the visit? If so, what kind of information or evaluation does it contain? How do you make this report available to other interested parties?
21. Do you acquire documents at verification that are placed on the case file? If so, what is your treatment of confidential information?
22. Do you perform second visit/re-visit to party verified?

## **II. Treatment of financial expenses and financial income in dumping margin calculations/sales below cost test**

1. What kind of expenses/revenues do you accept as financial expenses/revenues? What is the source of information that you use when determining the financial expenses/revenues?
2. How do you differentiate different types of financial incomes/expenses?
3. How do you address financial expenses and revenues, particularly in cases where those expenses/revenues are not product-specific?
  - a. Do you require exporters to establish a relationship between financial income/expense and the production of the product concerned? If so, what criteria do you apply?
  - b. When financial expenses/revenues are not product-specific, do you allocate those expenses/revenues to the product concerned? If so, how do you do that?
4. How do you deal with foreign exchange gains/losses, and hedging?
5. Do you take into account financial income when determining/adjusting SGA costs? Do you make any adjustments for financial income before performing the below-cost test?
6. How do you treat financial expenses/revenues when constructing normal value?
7. Do you check whether the financial expenses are operational or non-operational when considering the SGA costs? Do you exclude non-operational financial expenses when determining the amount of SGA expenses?

## **III. Determination of the base price for the below-cost test**

1. How do you compare the costs with the prices?
    - a. Do you use monthly/quarterly/annual price/cost information?
    - b. What do you do when there is no price data for a specific time-period?
    - c. Do you use average prices/costs of the product concerned or do you make this comparison by individual product types?
  2. When determining the "below-cost sales" do you use the invoice value of the product concerned as the base price or do you make any adjustments in the invoice value? If so, what kind of adjustments do you make?
  3. If you use the adjusted price as the base price, do you also similarly adjust the cost of production of the product concerned?
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