# GENERAL INSTRUCTIONS

1. This questionnaire aims at gathering the necessary information for the investigation on the existence of subsidies on exports to Brazil of hot-rolled flat products of alloy or non-alloy steel (hot-rolled steel), of a width of 600 mm or more, not in coils (not rolled) of a thickness less than 4.75 mm, or in coils (rolled) of any thickness, usually classified under items 7208.10.00, 7208.25.00, 7208.26.10, 7208.26.90, 7208.27.10, 7208.27.90, 7208.36.10, 7208.36.90, 7208.37.00, 7208.38.10, 7208.38.90, 7208.39.10, 7208.39.90, 7208.40.00, 7208.53.00, 7208.54.00, 7208.90.00, 7225.30.00 and 7225.40.90 of the MERCOSUR Common Nomenclature (NCM – Nomenclatura Comum do MERCOSUL), from the People’s Republic of China. Other programs identified in the course of the investigation which potentially grant subsidies subject to countervailing measures to the product under investigation will also be investigated.
2. Regardless the submission of arguments by the Government of China, by producers/exporters or by any other interested parties, regarding the possibility of the programs listed below being subject to countervailing measures, the following questions must be fully answered, except otherwise instructed.
3. In addition to the instructions in this questionnaire, the remarks contained in the notification related to the initiation of the investigation and in the SECEX Ordinance that initiated the investigation must be observed.
4. The cover page of your response to the questionnaire should be the document signed by the person who possesses power to act on behalf of the company, pursuant to the model in Appendix I.
5. All documentation to be presented to the Department must always refer to the product under investigation and to the number assigned to the process designated on the cover page of this questionnaire.
6. The responses must be clear and precise, indicating the provided information sources. Any information considered relevant or relatable to the process, even if not requested, can be presented.
7. No question or section should be left unanswered. Please refer to the specific question that is being answered. Please answer the questions in the order presented in this questionnaire. Tabulated information must be provided in the required formats and must be clearly labeled.
8. All information submitted in a language other than Portuguese or the official languages ​​of the World Trade Organization must be accompanied by a translation to Portuguese prepared by a public sworn translator in Brazil.
9. The units of measure and the monetary units used in the tables, lists and calculations should be clearly identified and used consistently in all responses.
10. As provided in art. 78 of Decree no. 1.751, dated December 19, 1995, the Department of Trade Remedies (DECOM) may conduct on-the-spot verification(s) to examine the company’s records and confirm the reported information. Worksheets and auxiliary documents used on the elaboration of the questionnaire response must be preserved, in case of an eventual on-the-spot verification(s).
11. Information presented under confidential terms must be accompanied by suitable justification to the confidentiality request and by a non-confidential summary of the information judged as confidential. The impossibility of presenting a non-confidential summary must be duly justified.
12. Both justification as the non-confidential summary must appear in the restricted version of the questionnaire response.
13. The confidential version of the questionnaire response, as well as other confidential information, must contain the **CONFIDENTIAL** expression in all its pages, centralized at the top and at the bottom of each page, in red.
14. The restricted version of the questionnaire response must contain the **RESTRICTED** expression in all its pages, centralized at the top and at the bottom of each page, in blue.
15. Public information treatment will be applied to all information that is not clearly identified as confidential or restricted.
16. A printed confidential version and a printed restricted version of the questionnaire response must be submitted simultaneously, as well as two electronic versions of both documents, being just one of each electronic version protected.
17. The contents of the printed and electronic versions must be identical, otherwise they will be disregarded.
18. Electronic files containing only text should have the extension "pdf" and allow editing.
19. Electronic files containing spreadsheets and tables should have the extension ".xls" or ".xlsx" and allow editing.
20. For the submission of the electronic version of the questionnaire, a follow-up report must be presented, completed and signed for each electronic media, according to the sample provided in Appendix II.
21. The electronic media must identify the corporate name of the company and the product to which it refers.
22. When processing the data, particularly in “.xlsx” formatted tables, the alphabetic fields must be entered left-justified and the numeric fields right-justified.
23. The dates must be formatted as date fields, and not as alphabetic fields, in the 12/34/5678 format, in which: positions 1 and 2 are equal to (=) day, positions 3 and 4 equal to (=) month, positions 5 to 8 equal to (=) year.
24. Data correspondent to monetary values must be filled separating the thousands by dots and the cents by commas. For example: 2.2550,30.
25. All fields must be filled. In case which there is no response to numeric fields, type number zero; in case there is no response to alphanumeric fields, type the words “none”, “does not apply”, “not available”, according to each case, explaining the reason.
26. In the event the information requested in the Annexes of this questionnaire exceeds 50 pages, interested parties are allowed to submit a printed copy of only the first 50 and the last 50 rows of the spreadsheet, with the total values.
27. All electronic spreadsheets must contain the calculation memory and all formulas used.
28. The questionnaire response must be delivered in the Protocol of the Ministry of Industry, Foreign Trade and Services, between 8.30am and 4.30pm, at the address Esplanada dos Ministérios, Bloco J, CEP 70053-900, Brasília-DF, Brazil. Documents received after 4.30pm will be filed with the date of the first subsequent business day.
29. The 40-day deadline for replying to the questionnaire begins on the first business day following the date of dispatch of the correspondence that covers this questionnaire. Any extension request of this deadline up to 30 days shall be requested within the original deadline for filling the response and contain justification. Such requests will be examined taking into account the deadlines of the investigation.
30. The electronic file of this questionnaire is available on the Ministry's website at the following address:

<http://www.mdic.gov.br/index.php/comercio-exterior/defesa-comercial/140-investigacoes-em-curso/2100-laminados-a-quente-subsidios>

# GENERAL INFORMATION

## Product under investigation:

Hot-rolled flat products of alloy or non-alloy steel (hot-rolled steel), of a width of 600 mm or more, not in coils (not rolled) of a thickness less than 4.75 mm, or in coils (rolled) of any thickness, usually classified under items 7208.10.00, 7208.25.00, 7208.26.10, 7208.26.90, 7208.27.10, 7208.27.90, 7208.36.10, 7208.36.90, 7208.37.00, 7208.38.10, 7208.38.90, 7208.39.10, 7208.39.90, 7208.40.00, 7208.53.00, 7208.54.00, 7208.90.00, 7225.30.00 and 7225.40.90 of the MERCOSUR Common Nomenclature (NCM – Nomenclatura Comum do MERCOSUL), exported from China and Russia to Brazil.

The following hot-rolled steel products are **excluded** from the scope of the investigation:

1. Hot-rolled flat products not in coils, of a width of 600 mm or more, and thickness of 4.75 mm or more (classified under items 7208.51 e 7208.52 of the MERCOSUR Common Nomenclature);
2. Flat-rolled alloy steel containing, in weight, 1.2% or less of carbon and 10.5% or more of chrome, with or without other elements (also known as stainless steel classified under item 7219 of the MERCOSUR Common Nomenclature and its sub items);
3. Flat-rolled silicon electrical steel, classified under item 7225.1 of the MERCOSUR Common Nomenclature and its sub items, containing, in weight, a minimum of 0.6% and maximum of 6% of silicon and a maximum of 0.08% of carbon, which may also contain, in weight, 1% or less of aluminium, excluding any other element in a proportion which configure characteristics of other alloy steels;
4. Flat-rolled alloy tool steel, classified under item 7225.4010 of the MERCOSUR Common Nomenclature, and high-speed steel, containing not less than two or three of the following elements (with or without other elements): molybdenum, tungsten and vanadium, with a total level, in weight, of 7% or more of this set of elements, and also containing 0.6% or more of carbon and from 3% to 6% of chrome, classified under item 7225.4020 of the MERCOSUR Common Nomenclature.
5. **Period of investigation of the existence of subsidies subject to countervailing measures (hereinafter "period of investigation"):** January to December 2015.

## Period of investigation of injury: January 2013 to December 2015, divided as follows:

P1 - January to December 2013;

P2 - January to December 2014; and

P3 - January to December 2015.

# SECTIONA -GENERAL QUESTIONS

*The purpose of this section is to gather information that will allow the drafting of a general view of the company. Below you will find questions about the company’s operational, legal and accounting structure, as well as about its relationship with affiliated parties.*

1. **Company Information**
2. **Authorized Representative at DECOM**

Provide data of only one addressee and the address to which the documents sent by DECOM must be forwarded.

1. **Other companies subject to investigation**

In addition to this company's response to the questionnaire, DECOM equally requires responses from certain affiliated companies, as detailed below. The absence of responses to this questionnaire by any of these companies may affect the results to be achieved by the company under investigation. Hereinafter, "this company" will refer not only to your company, but to all companies required to answer this questionnaire. Please provide separate answers for each question and Excel worksheet for each of these companies.

Unless otherwise specified, your answers to the questions below should relate to the period of investigation.

## DECOM instructs this company to provide to the Government of China as soon as possible a list of all companies for which this company is jointly presenting response to the exporter questionnaire so that the Government of China may include these very same companies in its own reply to the questionnaire.

**3.A Exporting companies**

If your company exported the product under investigation produced by other companies in your country during the investigation period, then this company should provide a complete questionnaire response to all the producing companies that have provided the product under investigation to your company.

**3.B Trading companies**

If your company exports the product under investigation to a affiliated trading company, which then exports the product under investigation to Brazil, then your company should provide a complete questionnaire response to all these **trading companies.** If there are **trading companies** unrelated to this company which exported the product to Brazil, please identify them.

**3.C Affiliated companies**

Please provide the following information for all affiliated companies:

1. The identity of all the companies with which your company is affiliated, including the full name and address of each company.
2. Describe in detail the nature of the relationship between this company and those companies listed in the response to the previous question. Specify, for example, whether one of them holds a position of responsibility or direction in the company of the other; if legally recognized as business associates; if employer and employee; if any person, directly or indirectly, owns, controls or holds five percent or more of the shares or securities issued with voting rights of both; if one of them, directly or indirectly, controls the other, including through a shareholders' agreement; if they are both, directly or indirectly, controlled by a third person; if together they directly or indirectly control a third person; or if they are members of the same family; or even if there is a relation of economic, financial or technological dependence with clients, suppliers or financiers.
3. Your company must provide a complete questionnaire response for affiliated companies if one of the following situations exist:
   * + The affiliated company produced the product under investigation;
     + The affiliated company is the parent company or the holding company of your company;
     + The affiliated company supplies inputs to your company for the production of the downstream product produced by the respondent company;
     + The affiliated company received subsidies and transferred them, anyhow, to your company.

**3.D Previous owners / corporate changes**

Benefits received from certain types of subsidies will be allocatedover time by DECOM (for example, capital injections, non-recurring guarantees, debt forgiveness, exemptions or reductions of import duty or VAT on capital goods, etc.).

Thus, in addition to the alleged investigated subsidies your company may have received during the period of investigation, the Department is also investigating non-recurring, allocable subsidies that your company may have received during the average useful life of the fixed assets of the industry in question. For this reason, this company must respond to all affiliated or associated companies that meet the conditions listed in item 3.C above for the average useful life of the fixed assets. For example, if your company was affiliated to or associated with another company during the average useful life of the fixed assets but prior to the period of investigation, this company must include a response on behalf of that other company.

Finally, if your company used all or substantially all of the fixed assets of another company during the average useful life of such assets, and that company still exists, the other company must submit a complete response to the questionnaire. It is essential that reference is made to any "corporate changes" related to the company's history in the answers to the questions below.

1. **General questions**
   1. The addresses of the company's headquarters, of its plants and exporting units;
   2. Description of the company. Please include in your answer:

* Date of incorporation/creation of the company;
* History of the company's shareholding;

* List of products that the company produces and/or sells;
* Names of owners, members of the board of directors and management, with a description of their positions in other companies and in their government;
* Explain whether the government of China or other local government authority (e.g province, county, state) has designated your company and/or industrial sector/industry as a "pillar"; "key"; "promoted"; "central" or any other designation within the scope of industrial, trade, export promotion and/or other policy. If so, explain the purpose of this designation, the criterion for receiving such designation; and the benefits and obligations arising from such designations.

* 1. Using diagrams or flowcharts, describe the process by which your company produces the product under investigation. If different stages of the production process occur in different productive units, divisions or affiliated companies, please identify those productive units, divisions or affiliated companies.
  2. Does your company export the product under investigation (including cross-affiliated companies) produced by other companies in China? If so, please identify the name and address of each supplier of the product under investigation.
  3. Provide the following documents for your company, as well as for each cross-affiliated company as defined above, that is involved in the production, manufacture, or export of the product under investigation. Please provide information to all trading companies (affiliates or otherwise) through which your company sold the product under investigation to Brazil during the period of investigation.
  4. Please provide the following documents for the **last three fiscal years.** If the company's fiscal year does not coincide with the investigation period, it is requested to attach balance sheets, income statements and other documents on a monthly, quarterly or semi-annual basis covering the period of the investigation. **If this company does not prepare audited financial reports, please provide any other unaudited financial statements that are prepared for the board of directors, the shareholders, and the government.**
* Complete chart of accounts;
* Consolidated and audited financial statements, with all explanatory notes and auditors' opinions;
* Balance sheets and internal results statements prepared or maintained by the company for the product; and
* Income statements or any other forms of financial records submitted to the local or national governments of the country in which the company is located.

Explain in detail, in the case resources have been received from the government, how these resources are accounted for in the accounting system of the company, indicating the respective accounting accounts and the records involved.

* 1. Please provide complete tax refunds requested during the period of investigation (if applicable, a copy of the government-stamped tax refund). Include all the schedule and attachments included
  2. Please provide the following information for **the period of investigation**. Do not include the volume and value of products manufactured outside China or returns. Separately state the value of the services sold by your company. Additionally, in a separate response, please state the sales value of each affiliated company, as well as the sales value between your company and the related company.

If the actual sales value is recorded in your accounting on a basis other than FOB, please describe all the adjustments that were made to derive the value on FOB basis. In addition, if your sales include VAT or other indirect taxes, please make sure that such taxes are excluded from the reported amounts.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **MARKET** | **Quantity (t)** | **FOB Value (local currency)** | **FOB Value (USD)** | **Ex Works Value (local currency)** | **Ex Works Value**  **(USD)** |
| **(A) DOMESTIC** |  |  |  |  |  |
| **a.1. Product manufactured by your own company** |  |  |  |  |  |
| a.1.1. Affiliated |  |  |  |  |  |
| a.1.2. Unaffiliated |  |  |  |  |  |
| **a.2. Resales of the like product imported** |  |  |  |  |  |
| **a.3) Resales of the like product purchased in the domestic market** |  |  |  |  |  |
| **a.4) Other products** |  |  |  |  |  |
| **Total (A)** |  |  |  |  |  |
| **(B) THIRD-COUNTRIES** |  |  |  |  |  |
| **b.1) Exports of the product manufactures by your own company** |  |  |  |  |  |
| b.1.1. Affiliated |  |  |  |  |  |
| b.1.2. Unaffiliated |  |  |  |  |  |
| **b.2) Exports of the like product imported** |  |  |  |  |  |
| **b.3) Exports of the like product purchased in the domestic market** |  |  |  |  |  |
| **b.4) Exports of other products** |  |  |  |  |  |
| **Total (B)** |  |  |  |  |  |
| **(C) BRAZILIAN** |  |  |  |  |  |
| **c.1. Product manufactured by your own company** |  |  |  |  |  |
| c.1.1. Affiliated |  |  |  |  |  |
| c.1.2. Unaffiliated |  |  |  |  |  |
| **c.2. Exports of the like product imported** |  |  |  |  |  |
| **c.3) Exports of the like product purchased in the domestic market** |  |  |  |  |  |
| **c.4) Exports of other products** |  |  |  |  |  |
| **Total (C)** |  |  |  |  |  |
| **Total (A) + (B) + (C)** |  |  |  |  |  |

1. All the information provided must coincide with the supporting documentation of the company's accounting to be analyzed in the event of an on-the-spot verification.
2. If there are no sales in the modality requested, fill the field with the number "0".
3. Data related to returns must not be included.
4. REGISTRATION OF SALES IN THE DOMESTIC MARKET (A). Information in field A must consider the total of:
   * Sales of product manufactured by your own company in the domestic market. Specify sales made to affiliated and unaffiliated parties, as defined in 3.C;
   * Resales of the like product imported;
   * Resales of the like product purchased in the domestic market of the company’s country;
   * Sales or resales of other products imported or acquired by the company in the domestic market.
5. REGISTRATION OF EXPORTS TO THIRD-COUNTRIES (B). Information in field B must consider the total of:
   * Exports of the product manufactured by your own company: exports made in the period for ALL other destinations, except Brazil. Additionally, specify the sales made to affiliated and unaffiliated parties, as defined in 3.C;
   * Exports of the like product imported;
   * Exports of the like product purchased in the domestic market of the company’s country;
   * Exports of other products imported or acquired by the company in the domestic market.
6. REGISTRATION OF EXPORTS TO BRAZIL (C). Information in field C must consider the total of:
   * Exports of the product manufactured by your own company, which must coincide with the data reported in Appendix VII. Additionally, specify the sales made to affiliated and unaffiliated parties, as defined in 3.C;
   * Exports of the like product imported;
   * Exports of the like product purchased in the domestic market of the company’s country;
   * Exports of other products imported or acquired by the company in the domestic market.

**Please explain how sales of the product under investigation are recorded in your company's accounting system. Are your company's sales consolidated with the sales of other companies in the financial report of the parent company, holding company or group? If so, explain how and provide copies of the consolidated financial reports.**

* 1. As set forth in Section B below, the allocation period for non-recurrent subsidies is defined according to the average useful life of the fixed assets for the industry under consideration. If the company does not demonstrate, through documentation and applicable legislation, the specific period of time corresponding to the average useful life of the company's own productive assets, DECOM will assume that this period corresponds to the period indicated in publicly available secondary sources. If the company decides to adopt the average useful life of the company's assets, it must present information and supporting documents corresponding to the number of years of that period.

.

**Report data concerning the employee responsible for the general information about the company provided in the section above:**

Name:

Job Position:

Telephone Number:

Electronic address (e-mail):

**SECTION B – OPERATIONAL DATA**

1. **PRODUCTION AND INSTALLED CAPACITY**

For the period of investigation of existence of subsidies subject to countervailing measures, provide the following information for ***all*** products produced by your company, including the product under investigation, with the subtotal for each product.

* 1. PRODUCTION: Report in the table below, **filling one chart for each year**, the evolution of the production capacity, nominal and effective, **for the last ten years**, as well as the quantities produced and the stock of each product manufactured by your company. In addition, indicate which plants produce the product under investigation.

Regarding the evolution of production capacity, indicate which were the investments made, in the last fifteen years, responsible for the expansion of production capacity.

Explain the methodology used by the company to reach the values informed below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Product** | **Production Capacity[[1]](#footnote-1)** | | **Production Volume (t)** | **Stocks on 31/12/2015** |
| **Nominal** | **Effective** |
| a) Hot-Rolled Steel under investigation |  |  |  |  |
| b) other products (specify) |  |  |  |  |
| c)other products (specify) |  |  |  |  |

* 1. For each product produced by your company, list the raw materials used in its production, with an estimate of the quantity consumed of each raw material in the production of a unit of finished product (suggested unit: tons).

1. **DISTRIBUTION AND EXPORT PROCESSES**
   1. With regards to the export process, indicate which routes are used to export the product under investigation, pointing out the warehouses, transporters, ports and other logistics terminals used. Indicate whether there was a change in the route used in the last ten years, highlighting the advantages obtained in the modifications made.
   2. Still regarding the export route, inform whether there have been changes in infrastructure in the last ten years, for example, inauguration/reforms of ports, bridges, roads, etc. promoted by the Chinese government, which benefited the distribution of the product under investigation.
2. **FINANCING OF THE COMPANY'S ACTIVITIES**
3. Inform the way in which the company finances its activities, separating short-term financing (financing of day-to-day activities of the company, including resources obtained for commercialization of products, etc.) and long-term financing (financing aimed at acquisition of machinery, construction of plants, etc.), pointing out the main sources of financing, the interest rate paid and the payment deadlines.
4. Still with respect to the financing, indicate the existence of specific financing lines for export activities.
5. Regarding the evolution of production capacity, mentioned in item 2, indicate the origin of the resources used for expansion.
6. **TAXES LEVIED ON THE PRODUCT**
7. Specify customs duties and other taxes normally levied on importation or acquisition in the domestic market of the inputs used in the production of the product under investigation. For each right or tax, state the calculation basis, the tax rate normally incurred, any existing exemptions, and the level of government responsible (national, provincial or local government).
8. Specify customs duties and other taxes normally levied on the importation or acquisition in the domestic market of machinery and equipment used in the production of the product under investigation. For each right or tax, state the calculation basis, the tax rate normally incurred, any existing exemptions and the level of government responsible (national, provincial or local government).
9. Specify the customs duties and other taxes normally levied on the importation or acquisition in the domestic market of utilities, such as electric energy and water, used in the production of the product under investigation. For each right or tax, state the calculation basis, the tax rate normally incurred, any possible exemptions and the level of government responsible (national, provincial or local government).
10. **EXPORTS PROMOTION**
11. Present the way in which the company advertises the product under investigation in foreign markets, indicating participation in fairs, congresses, etc. Point out if the company arrange travels to visit foreign customers, in order to market, promote, provide assistance.

1. Indicate whether the company participates in any association/council of producers/exporters concerning the commercialization of the product under investigation. State the benefits arising from participation in such association(s).

# SECTIONC– AVERAGE USEFUL LIFE

1. This company should be aware that the Department allocates over time the benefits received through certain types of subsidies. Regarding the so-called non-recurring subsidies, although the investigation period is a recent period, DECOM is investigating alleged subsidies received over the period of time corresponding to the average useful life of the industry's productive assets.
2. If the company does not demonstrate, through documentation and applicable legislation, the specific period of time corresponding to the average useful life of the company's own productive assets, DECOM will assume that this period corresponds to the period indicated in publicly available secondary sources. If the company decides to adopt the average useful life of the company's assets, it must present information and supporting documents corresponding to the number of years of that period.
3. Each program investigated will normally be treated as recurring or non-recurring. The Department will typically consider the following types of subsidies as subsidies that grant recurring benefits: exemptions and deductions from taxes and/or direct fees; remission or excessive rebates of import duties or indirect taxes; provision of goods (inputs) and services for less than adequate remuneration; payments to support prices; discounts on electricity, water and other utilities; freight subsidies, export promotion assistance, early retirement payments, workers assistance; training for workers; wage subsidies; and upstream subsidies in the production chain of the product under investigation. The Department will normally consider the following types of subsidies as subsidies that grant non-recurring benefits: capital injections, guarantees, plants shutdown assistance, debt conversions related to capital contributions, provision of non-general infrastructure, supply of plants and machinery, loans and other types of subsidies related to fixed assets.
4. In a table format, report the gross initial and final book value of depreciable productive assets for each of the last 15 years (do not include non-depreciable assets such as land or real estate under construction). Please try to exclude the gross book value of any fully depreciated productive asset that is no longer operating.
   1. Report, as separate items in a table, the regular depreciation expenses of each year and any special expenses related to depreciation or revaluation and depreciation of productive assets.
   2. Explain how the numbers in the table reconcile with your financial statements.
   3. Explain your company's accounting policies regarding depreciation of productive assets. Clarify whether accelerated or linear depreciation is used, and which conventions are applied.
   4. Explain your company's accounting policies regarding the depreciation of productive assets, including whether there are differences between accounting depreciation and tax depreciation. Clarify whether the depreciation used for tax purposes is accelerated or linear, and which conventions are applied.
5. If your company requests the average useful life of the productive assets to be calculated based on the data of the company itself, please:
   1. Provide an Excel worksheet that shows how the average useful life of your company's fixed assets has been calculated. In order to calculate the average useful life of the fixed assets using the gross data listed above:
      1. Add the annual average balance of productive assets for all of the years (A).
      2. Add the depreciation expenses for each year (D).
      3. Divide the sum of the values of the productive assets (A) by the sum of the depreciation expenses (D) to calculate the average useful life (AUL). AUL = A / D.

# SECTION D –SPECIFIC PROGRAMS UNDER INVESTIGATION

1. For each program specified below, if your company (including affiliated companies required to respond and trading companies) did not apply to use or benefit from the programs during the period of investigation, your company must respond this clearly. Otherwise, answer the questions listed in the following sections.
2. In order to determine which questions should be answered for each program, please refer to the instructions given under each program in this section of the questionnaire and in the respective appendices.
3. If any governmental assistance, as listed below, has been received by enterprises that had been incorporated into your company or purchased by your company, your company is responsible for answering questions regarding any assistance from the Chinese government received by those integrated or purchased enterprises.

**National subsidy programs in China:**

1. Preferential loans;
2. Preferential loans to companies classified as "honorable enterprises";
3. Preferential loans granted under the “Northeast Revitalization Program”;
4. Export credit financing;
5. Export buyer’s credit;
6. Export credit insurance and export credit guarantee;
7. Debt relief and debt conversion into equity;
8. Capital injections;
9. Subsidies under the "Law of The People's Republic of China on Enterprise Income Tax";
10. Subsidies for companies with foreign capital;
11. Tax preferences to Chinese companies located in the Northeastern part of China;
12. Subsidies of the Tianjin Binhai New Area and the Tianjin Technological and Economic Development Area;
13. Other tax preferences related to income tax;
14. Value Added Tax (VAT) deductions;
15. Import Tax and Value Added Tax (VAT) exemption;
16. Tax on the Transfer of Real Estate (Deed Tax) exemption;
17. Regulatory Tax
18. Provision by the Chinese Government of goods and services at reduced rates
    * 1. Land
      2. Mineral resources
      3. Iron Ore
      4. Charcoal
      5. Electricity
19. Fund for priority technology projects;
20. Fund for reduction of emission of gases and energy conservation;
21. Foreign trade development funds;
22. Productivity control fund;
23. Subvention for compensation of expenses incurred due to anti-dumping investigations against Chinese products;
24. Subvention for state-owned companies suffering losses;
25. Subvention for the scientific and technological development in Jiangsu and Hebei provinces;
26. Other subsidies

# SPECIFIC QUESTIONS ABOUT THE PROGRAMS

# 

**National subsidy programs in China:**

# STANDARD QUESTIONS FOR ALL PROGRAMS

For each program identified on the previous page from "a" to "z", provide the information below. Before providing your answer, copy the written question. Number each question and answer by referring first to the letter designating the program. For example: a1, a2, a3, etc., for questions relating to "Preferred Loans", and b1, b2, b3, etc., for those relating to "Preferred Loans to Companies Classified as" Honorable Enterprises ".

1. Provide a detailed description of the program operation.
2. Provide copies of requests or applications made by your company and accepted by the Government of China, as well as copies of all documents, attachments and contracts signed in connection with this program.

1. Describe the fees charged or the expenses incurred by your company for obtaining the benefit or for participation on the program. In case of non-compliance with the obligations and deadlines required by the program, indicate the penalties and fines incurred by your company during the period of analysis.

1. Specify the eligibility criteria your company had to meet to receive benefits under this program. Specify whether the eligibility was or is currently subject to one or more of the following criteria: (a) whether your company exports or increased or committed to increase its exports; (B) the use of machinery, raw materials and other domestic inputs to the detriment of foreign products; (C) the industry to which the company belongs; or (d) the region in which the company is located.
2. Describe, in detail, the application and approval process of your company to receive the benefits conferred under this program.

1. Specify the criteria that your company had to meet to receive the specific amount of assistance granted.
2. Does the application or approval form specify the product for which the assistance is granted? If so, please provide details of which products have been specified on the application and approval forms for benefits.

1. Specify the files maintained by your company regarding the assistance received under this program.
2. In which accounting books does your company record each of the benefits received under the programs? Please provide the application forms already submitted to the Chinese government by this company and other application documents regarding this program. If the program does not depend on the application for usufruct, explain how the program is operated and how the government supervises and controls participation in the program. Provide copies of the documentation submitted by this company for approval of the benefits, including, but not limited to: approval letter, contract, application form; accountability and results reports, etc.
3. Indicate where the benefits of this program can be found in your accounting system and financial statements (for example, specify ledger (G/L) and diaries). If your company must fill out any form of the government to continue receiving benefits under this program, provide a complete set of copies of the forms submitted during or prior to the investigation period.
4. Has the program been extinguished? If so, explain when and under which conditions. What is the last date on which your company may apply for benefits under this program? What is the last date your company will receive benefits under this program?

# STANDARD QUESTIONS – GRANTS AND ALLOCATIONS

The questions below are intended to identify whether the subsidy is a "recurring" or "non-recurring" one. The subsidy will normally be considered as "recurring" when it is related to current production or sale and its effects are observed immediately, being its amount, in general, fully allocated to the period in which the benefit is conferred; DECOM will consider the subsidy as “non-recurring” when it is granted exceptionally or with irregular frequency, with the possibility of being related to the acquisition of fixed assets, so that its effects are related to future production and are extended for a longer period than the one in which the benefit is conferred, being the subsidy amount, in general, allocated over the periods in which such benefits are observed.

Answer the following questions:

1. Does your company receive subsidies on a regular basis under this program?

1. Has your company filled out a separate form each time it received the benefits? Please explain. Was each concession linked to a specific government approval?
2. Are subsidies granted under this program provided for or linked to your company's capital structure or your company’s capital goods?
3. If the subsidy is non-recurring, this company shall provide the following information for each subsidy received during the average useful life of the fixed assets. If the subsidy is recurring, then this company only needs to provide this information in relation to the subsidies received during the period of investigation. Information shall be provided in a table format.
4. The amount of all subsidies authorized and the amount received (state whether the subsidy was received in a total installment or divided into several installments);
5. Approval date of the subsidy and receipt date of the subsidy;

# ADDITIONAL QUESTIONS FOR FINANCING PROGRAMS

1. Submit all outstanding financing at any time during the period of investigation, January to December 2015, regardless of whether the company understands that the loan was granted within or outside the program of subsidies under analysis. Present the loans list according to the
2. All outstanding loans in the period of investigation shall be presented, not just traditional forms of lending. This includes, but is not limited to, interest expenses, promissory notes, invoice discounts and receivables factoring. If the company did not pay interest on financing during the investigation period, identify the specific terms of each financing (for example, the discount rate associated with the sale of receivables).
3. Describe the role of your company in industrial plans/policies at all levels of the Chinese Government, including the 12th Five-Year Program for the Iron and Steel Industry. For example, does the company provide information or present a requirement of participation in any governmental policy, plan or measure?
4. Inform if the company presents information to the Chinese Government in order to verify the execution of the mentioned subsidy program.

1. Has the Government of China designated your company/industry as "priority", "pillar", "encouraged" or "honorable"? If so, please answer the following questions:
2. Clarify the purpose of the given classifications, indicating the necessary requirements in order to obtain such classification, as well as the benefits and obligations arising from the classification obtained;

1. Clarify if there is any relationship between these classifications and the five-year plans or other industrial policies, including administrative measures.
2. Please inform if the company obtained any of the financing presented in item 1 based on the industrial plans/policies/measures of the Government of China.
3. Inform how much your company received from the Chinese central, provincial or local government from January to December 2015 under the program.

# ADDITIONAL QUESTIONS - TAX INCENTIVE PROGRAMS RELATED TO INCOME TAXES (INCOME TAX PROGRAMS)

If your company used this program to receive deductions of taxable income on income, credits against payable taxes, tax exemptions on income, deferred payment, accelerated or encouraged depreciation, compensation for prior tax losses or other tax benefits or tax refunds requested during the investigation period (the fiscal period covered by this tax benefit is fifteen years), please answer the following questions

1. Provide rate reductions/exemptions of income tax, deductions in the calculation basis of income tax related to research and development, deductions in the cost of acquisition of equipment of Chinese origin, debt forgiveness, deadlines for asset depreciation and amortization of intangible assets;
2. Provide the documents submitted to public authorities related to investment catalogs framework and qualifications to be recognized as high technology companies for the use of the programs;

1. Describe the specific areas for the use of fiscal assistance;

1. Inform how much your company received from the Chinese central, provincial or local government from January 2001 to December 2015 under the program.

# ADDITIONAL QUESTIONS – TAX INCENTIVE PROGRAMS

If your company used such a program for receiving deductions from taxable income, credits in respect of payable taxes, exemptions of due taxes, deferral of tax payments, accelerated depreciation, compensation for prior tax losses or other tax benefits or tax refunds requested during the investigation period (the tax period covered by this tax benefit does not have to correspond to the investigation period), please answer the following questions:

1. Explain whether the support is a deduction of taxable income, tax exemption, credit in respect to payable taxes, accelerated depreciation, or postponement of payment of taxes due, or other tax benefits.
2. Specify the amount of taxes saved resulting from the use of the program. Provide the detailed calculation of the support and all material suppliers, demonstrating the basis of calculation and the rate of the tax. Display the amount of taxes (or the amount of the loss incurred) that should have been due in the absence of the benefits under the program. **Specify whether in the tax refund the support is revealed.** For postponements of tax payments, please specify the amount of the tax due and the extension of the period of payment postponement.
3. If your company is in a position of operating loss for the fiscal year that the refunds are applicable, please explain the effect of this assistance on the company's tax position.
   1. Will the company take any loss for future fiscal years? Do losses represent losses incurred in previous years? Please explain.
   2. If the support results in operating losses for tax purposes, such as accelerated depreciation, for example, is the company able to withstand such loss?
   3. Indicate where in the financial statements of your company the tax information is presented. Are the tax losses incurred considered as assets in the financial statements? Please explain.
   4. If this company carried on loss of previous years and used such losses to offset taxes due in the request of tax refunds during the investigation period, demonstrate that the losses were not generated by the use of any tax program subject to compensatory measure.
   5. How do companies that use such program calculate the tax aid they claim? Please explain with a calculation example based on a request form of that aid.
   6. I. Submit applications/forms/list of products or other documents submitted to local authorities for entitling the company for obtaining the tax support.

# STANDARD QUESTIONS – SUPPLY OF GOODS AND SERVICES

1. Using the "Acquisitions" worksheet, attached to this questionnaire, report all purchases of goods (land or inputs such as natural resources (iron ore, coal)) and services (electricity) made during the period from January to December 2015.

1. Report all purchases of goods and services in accordance to the dates of the invoices that reflect purchases actually made during the period from January to December 2015. If your company uses another method of accounting registering, which is more accurate in relation to the acquisition of goods and services, then use this method to report acquisitions of natural resources. Explain why this method is more accurate and identify the manner in which this method is recorded in the accounting system.

1. Identify all companies that supply goods and services, including their full name and address.
2. Provide, if available, publications containing prices of goods and services both in the domestic market of China and in the world market, indicating the pages of these publications containing the prices requested during the period from January to December 2015.

1. Inform how much your company received from the Chinese central, provincial or local government from January to December 2015 under the program.

**r.v. Electricity**

1. Identify the company(s) supplying electricity to your company (and to your affiliated parties) from January to December 2015.

1. Identify the sources of electricity used to generate electricity for your company (natural gas, coal, hydro, etc.)
2. Using the "Electricity" Excel worksheet, report, monthly, the fees paid for electricity in the period from January to December 2015.

1. Inform the amount of electricity paid by the company in the period investigated and what would be the amount of electricity paid in case of the non-existence of the program.
2. If your company did not incur electricity expenses from January to December 2015 according to consumption categories (peak, normal, low, or basic rate), then identify the consumption categories applicable to the company. If energy costs have been reduced due to energy efficiency adjustments, identify these adjustments separately, as well as other discounts that the company may have received.
3. Present a copy of the electricity bills for the period from January to December 2015.
4. Are the company's electric energy rates differentiated according to table specific for industrial consumers? If yes, identify the applicable category for your company and affiliated ones.
5. If your company does not pay energy rates according to the consumption table, explain how electricity rates are charged.
6. Has the company benefited from reduced or preferential electricity rates depending on the location, type of products manufactured by the company or sectors encouraged?
7. Inform whether plants or units of your company or of affiliated companies are located in areas considered less developed or are Export Oriented Units (EOUs), in order to benefit from electricity rate exemption. If your answer is yes, explain what was the production of hot-rolled film and the quantity exported from the plants or units during the investigated period.
8. Report the legislation related to charge and adjustments of electric energy in force during the period from January to December 2015.
9. Explain how prices are negotiated with electricity supplier companies.

1. Report electricity rates per category in force during the period of January-December 2015.

**z - OTHER SUBSIDIES**

1. Has the government of China (or entities controlled directly, wholly or in part, by the central, provincial or local Chinese government, as well as private entities that have received from the Chinese Government instructions or responsibilities) provided any form of direct or indirect assistance to your company from January 2001 to December 2015? If yes, please describe in detail such aid, including amounts, dates of receipt, purposes and terms. Additionally, answer the questions in the specific appendices according to the nature of the subsidy received.
2. For each program, answer all the questions presented in the items of the section STANDARD QUESTIONS FOR ALL PROGRAMS, as well as the section STANDARD QUESTIONS - GRANTS AND ALLOCATIONS. Also answer the items in the appropriate additional section according to the type of subsidy (FINANCING, CAPITAL INJECTION, TAX INCENTIVE, TAX BENEFITS RELATING TO INCOME, SUPPLY OF GOODS AND SERVICES OR FUNDS AND GRANTS).

1. Please read “production capacity” as that capacity obtained with the full performance of the production unit. [↑](#footnote-ref-1)