



TURKEY

EXPORTER REQUEST FOR INFORMATION - SUBSIDY

Information requested under the *Special Import Measures Act*
concerning Canada's subsidy investigations of

**CERTAIN OCTG FROM THE REPUBLIC OF INDIA, THE REPUBLIC OF INDONESIA,
THE REPUBLIC OF THE PHILIPPINES, THE REPUBLIC OF KOREA,
THE KINGDOM OF THAILAND, THE REPUBLIC OF TURKEY, UKRAINE AND
THE SOCIALIST REPUBLIC OF VIETNAM**

DUE DATE FOR RESPONSE Your complete response to **Parts D, E, F, G and H, and Appendices I and II** of this Request for Information must be received at the Canada Border Services Agency's office in Ottawa, Ontario, Canada, by **August 27, 2014**

PERIOD OF INVESTIGATION **January 1, 2013 to March 31, 2014**

RETURN YOUR RESPONSE TO Canada Border Services Agency
Trade and Anti-dumping Programs Directorate
SIMA Registry and Disclosure Unit
100 Metcalfe Street, 11th Floor
Ottawa, Ontario, Canada
K1A 0L8

Tel. (for courier reference only): 613-948-4605

Fax: (613) 948-4844

E-mail at: simaregistry-depotlmsi@cbsa-asfc.gc.ca

FOR FURTHER INFORMATION Contact the following officers:

Vera Hutzuliak	613-954-0689	Vera.Hutzuliak@cbsa-asfc.gc.ca
Barbara Chouinard	613-954-7399	Barbara.Chouinard@cbsa-asfc.gc.ca
Sanjivan Sandhu	613-946-4857	Sanjivan.Sandhu@cbsa-asfc.gc.ca

IMPORTANT NOTES

INFORMATION SUBMITTED IN RESPONSE TO THIS REQUEST FOR INFORMATION IS DEEMED TO BE PUBLIC (NON CONFIDENTIAL) UNLESS CLEARLY MARKED CONFIDENTIAL. REFER TO THE GUIDELINES IN PART F OF THIS RFI FOR FURTHER INFORMATION.

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PART A – SUBJECT GOODS

PRODUCT DEFINITION

Subject goods are defined as:

Subject goods are defined as:

“Oil country tubular goods, which are casing, tubing and green tubes made of carbon or alloy steel, welded or seamless, heat-treated or not heat-treated, regardless of end finish, having an outside diameter from 2 ³/₈ inches to 13 ³/₈ inches (60.3 mm to 339.7 mm), meeting or supplied to meet American Petroleum Institute (API) specification 5CT or equivalent and/or enhanced proprietary standards, in all grades, excluding drill pipe, pup joints, couplings, coupling stock and stainless steel casing, tubing or green tubes containing 10.5 percent or more by weight of chromium, originating in or exported from Chinese Taipei, the Republic of India, the Republic of Indonesia, the Republic of the Philippines, the Republic of Korea, the Kingdom of Thailand, the Republic of Turkey, Ukraine and the Socialist Republic of Vietnam.”

Additional Product Information

For greater certainty, the product definition notes the inclusion of intermediate or in-process tubing and casing referred to commonly in the oil country tubular goods (OCTG) industry as “green tube,” which require additional processing, such as threading, heat treatment or testing, before they can be used as fully finished oil and gas well casing or tubing in end-use applications.

Pup joints, which are essentially short lengths of OCTG used for spacing in a drill string, are excluded where their length is below 12 feet (plus or minus acceptable tolerances), as defined in the API 5CT specification.

The product definition also includes non-prime and secondary OCTG (limited service pipes).

Classification of Imports

As of January 1, 2012, the goods subject to the product definition are usually classified under the following 10-digit Harmonized System (HS) classification numbers (*Customs Tariff – 2014*):

7304.29.00.11	7304.29.00.69
7304.29.00.19	7304.29.00.71
7304.29.00.21	7304.29.00.79
7304.29.00.29	7306.29.00.11
7304.29.00.31	7306.29.00.19
7304.29.00.39	7306.29.00.21
7304.29.00.41	7306.29.00.29
7304.29.00.49	7306.29.00.31
7304.29.00.51	7306.29.00.39
7304.29.00.59	7306.29.00.41
7304.29.00.61	7306.29.00.49

The Subject Goods, particularly in the form of green tubes, may also be imported under the following tariff codes (*Customs Tariff – 2014*):

7304.39.00.10	7306.50.00.90
7304.59.00.10	7306.90.00.10
7306.30.00.29	7306.90.00.20
7306.30.00.39	

This listing of HS codes is for convenience of reference only. Refer to the product definition for authoritative details regarding the subject goods.

PART B – INSTRUCTIONS

PURPOSE OF THE REQUEST FOR INFORMATION

- B.1. This Request for Information (RFI) specifies the information and documents required concerning:
- A. **Subsidies** as defined in Canada's *Special Import Measures Act* (SIMA) and the *Agreement on Subsidies and Countervailing Measures* being a part of the *Agreement Establishing the World Trade Organization* (WTO Agreement), which are deemed to exist because of a **financial contribution** (as defined in Part C of this RFI) or **any form of income or price support** within the meaning of Article XVI of the GATT 1994, being part of Annex 1A to the WTO Agreement [**Attachment I**] by the *Government of Turkey*¹, that confers a benefit to persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of subject goods, but does not include the amount of any duty or internal tax imposed by the government of the country of origin or country of export on:
- (i) goods that, because of their exportation from the country of export or country of origin, have been exempted or have been or will be relieved by means of remission, refund or drawback,
 - (ii) energy, fuel, oil and catalysts that are used or consumed in the production of exported goods and that have been exempted or have been or will be relieved by means of remission, refund or drawback, or
 - (iii) goods incorporated into exported goods and that have been exempted or have been or will be relieved by means of remission, refund or drawback.

AND

- B. The countervailability of any such **subsidy** (i.e. whether the subsidy is specific and actionable) within the meaning of SIMA.
- **Note that additional questions may be requested in the form of a Supplemental Request for Information at a later date as a result of new information obtained by the CBSA.**
- B.2. The Canada Border Services Agency (CBSA) will be assessing to what extent countervailable programs have affected the sale price of subject goods imported into Canada during the **period of investigation (POI) of January 1, 2013 to March 31, 2014**. In certain instances, information and documentation may be requested outside this period in order to determine any amount of subsidy applicable to subject goods. Benefits from certain types of subsidies are allocated over time corresponding to the average useful life of an asset and thus subsidies received in number of years preceding the **POI** may require review. If you do not provide the information or submit an incomplete response, the amount of subsidy will be determined by a Ministerial Specification.

¹ Refer to the definition of Government of Turkey found in Part C – Glossary. This definition applies for all references to the term “Government of Turkey” used in this document.

- B.3. Please note that information is required to be presented for any program, regardless of the date of implementation, which conferred a benefit on goods sold for either domestic consumption or imported into Canada during the **POI**.

CONFIDENTIAL AND NON-CONFIDENTIAL INFORMATION

- B.4. **Part F** of the questionnaire, which contains several sections deals with the requirements pertaining to the confidential and non-confidential information submitted to the CBSA in connection with proceedings under SIMA.

FORMAT OF INFORMATION SUBMITTED

- B.5. Your response to the RFI should be provided in electronic documents on CDs or DVDs. Due to CBSA e-mail size restrictions, e-mailed submissions cannot be accepted. Please label all electronic media, describing the contents and confidential or non-confidential designation.

Please label all disks as follows: confidential or non-confidential, company name, date, and “CBSA OCTG II 4218-40”. Please ensure that confidential and non-confidential versions of responses are provided on separate disks. Where multiple discs are provided, please also indicate the material contained on the disc and its order in the disc sequence (i.e., Parts A and B, disc 1 of 3). You can submit files in a compressed format using WinZip version 14.5 or compatible. If you send us information in a compressed format, provide a list of all of the electronic files you are submitting. Include the file name, file type, number of records and the RFI request number that the file answers.

- B.6. You may also provide hard copies of your response. If you do so, provide an original plus one printed copy of your confidential submission, and one copy of your edited non-confidential version for a total of three hard copies.

Hard copy submissions should also:

- Not be stapled or bound (pages should be held together by clips or elastics);
- Be numbered consecutively from start to finish, including appendices and attachments;
- Be provided on 8 1/2" x 11" paper. If possible, please reduce any oversize documents to fit this paper size.

- B.7. Narrative or text responses must be provided in Microsoft Word compatible format. Spreadsheets or data responses must be provided electronically in Microsoft Excel compatible format and **must retain any formulas used in calculations**. Copies of supporting documentation may be provided in Adobe PDF format.

- B.8. Your response must state each numbered question followed by a complete response. If a question does not apply to the organization you represent or requests information in a format that is different than that in which it is maintained, an explanation as to why the question does not apply or how the information was adjusted to respond to the question is required. Consequently, in many instances, “Not Applicable” or an answer that only refers to an exhibit or an attachment will not provide the CBSA with a clear explanation of the existing situation and will be considered an incomplete response.

- B.9. Your response must be in either English or French. Any source material that you provide must be in the document's original language and must be accompanied by a translation in either English or French.
- B.10. Submissions in electronic documents must be numbered consecutively by page from start to finish, including appendices and attachments.
- B.11. Except where otherwise noted, all information is requested on a calendar year basis. Where adjustments are required to comply with our request, please identify the adjustments and give a full explanation of how they were made.

DUE DATE FOR RESPONSE

- B.12. The due date for your response is on the front page of this document. Late responses will not be considered for purposes of this investigation.

VERIFICATION MEETINGS

- B.13. A complete response, including all of the documentation requested must be submitted to the CBSA before a verification meeting will be considered.
- B.14. It is common practice for CBSA officers to visit government officials, exporters and manufacturer(s) of the subject goods in order to verify the information submitted. You will be contacted in advance of such a meeting to make arrangements as to the time and place of the verification meeting.
- B.15. If the verification meeting is delayed or cancelled due to the unavailability of company officials to meet with CBSA officers, the amount of subsidy may be determined by Ministerial Specification, as is explained in the covering letter accompanying this RFI.
- B.16. The purpose of the verification meeting is to verify information already provided to the CBSA in your submission prior to the meeting. **It is not intended to be a second opportunity to provide new or additional information.** Accordingly, the original response should be complete and accurate.
- B.17. During any verification meeting with the CBSA, each company official who prepared any part of the response and who has knowledge of the source documentation and the information contained therein must be available to meet with CBSA officers and to provide additional clarification and explanation, as required.
- B.18. To satisfy itself as to the integrity, completeness and accuracy of the information supplied, the CBSA may examine information in respect of other goods. For example, the CBSA may require information on goods not covered by this investigation in order to distribute subsidy amounts granted to a range of products wider than the subject goods.
- B.19. During the verification meeting, your office should be in a position to promptly retrieve requested documents and to provide photocopies of such documents when requested by CBSA officers. During the meeting, you will also be required to provide a non-confidential version of each document requested by CBSA officers. CBSA officers will require two copies of each document (plus one copy of the non-confidential version) requested during the verification meeting.

SOURCE DOCUMENTS

- B.20. Source documents should be kept easily accessible at your location for possible review during the verification meeting.

EXPORTERS WHO ARE NOT PRODUCERS

- B.21. If your company is not the producer of the subject goods that were shipped to Canada, for each producer of the subject goods provide the name of the company, its address including the town or city, province and postal code, the name and title of your contact person, and his or her telephone number, fax number and e-mail address.

Also, please provide a copy of the CBSA's letter and the Subsidy RFI to your producer, requesting that they reply to the requested information and provide it to the CBSA.

- ***NOTE: In such circumstances, you are required to immediately notify the CBSA and provide the information concerning the producers of the subject goods. Failure to provide a copy of the CBSA's letter and the Subsidy RFI to your producer or to immediately notify the CBSA as requested may result in the amount for subsidy for your company being determined by a Ministerial Specification.***

INFORMATION REQUIRED FROM SUPPLIERS OF INPUT MATERIALS

- B.22. You are requested to forward a copy of **Appendix II** to each of your company's suppliers of major production inputs. Major production inputs include scrap steel, steel billet, electricity, natural gas, steam coal, and any other significant input material. Each supplier is to then submit a completed **Appendix II**, along with responses to the supplemental **Appendix II** questions, to the CBSA address indicated on the front page of this RFI. **Your suppliers' responses to the CBSA are also due no later than due date as listed on the cover page of this RFI.** Please contact an officer listed on the cover page of this RFI, if you have any questions regarding this instruction.
- B.23. Any major production input supplier with which your company is ***associated*** **must also complete its own response to this entire subsidy RFI.** Please Refer to the definition of "Associated Persons and/or Companies" in Part C. Please forward this entire subsidy RFI to any and all **associated** suppliers. The associated supplier should answer the subsidy RFI with respect to their own purchase or production of the production input they supply your company with. The production input they supply your company with should be considered the subject of the subsidy RFI from the associated supplier's perspective when they respond. **Any associated suppliers' responses to the subsidy RFI are also due no later the due date, as listed on the front page of this RFI.** Please contact an officer listed on the cover page of this RFI, if you have any questions regarding this instruction.

FAILURE TO COOPERATE

- B.24. Failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in this RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits may result in the assessment of countervailing duties on subject goods based on the facts available to the CBSA. Such a determination will be less favourable to your firm than if complete, verifiable information is made available.

RESULTS OF THE INVESTIGATION & DISCLOSURE MEETINGS

- B.25. The results of the investigation, including the methodologies for determining the amount of subsidy, if any, will be provided to your company upon completion of the investigation. Subsequently, should you wish to discuss the results of the investigation and the decisions taken, CBSA officers will be available to meet with you or your representatives in Ottawa, Canada.

ESTABLISHING CONTACT WITH THE CBSA

- B.26. You are requested to contact a CBSA officer indicated on the covering page of this RFI within a week following the receipt of this request, by telephone, by fax or via e-mail, to indicate whether your company will be responding to the RFI and if so, your company's contact person. If applicable, indicate the name and telephone number of the counsel that will be representing your company during this investigation. At the same time, you are encouraged to raise any questions you may have and seek any explanation necessary to assist you in completing your submission.

COUNSEL

- B.27. If your company has retained counsel to represent you in this matter before the CBSA, a letter of authorization must be provided. When such letter of authorization is provided, the CBSA will, upon request, undertake to provide copies of all outgoing correspondence with your company to designated counsel. Furthermore, if it is your wish that confidential materials relating to your company be released to or discussed with your counsel, the letter should specifically authorize the CBSA to do so. In such circumstances, the letter of authorization will serve as the CBSA's authority to release confidential materials to your counsel such as calculation spreadsheets, or to discuss the particulars of your file. Please note that the CBSA is not in a position to either discuss the particulars of your file or to provide copies of any materials contained in the file to designated counsel unless the letter of authorization has been provided.

PART C – GLOSSARY

Associated Persons

"Associated persons" is defined as follows:

The following persons are "associated persons" or persons associated with each other, namely,

- persons related to each other; or
- persons not related to each other, but not dealing with each other at arm's length.

Persons are related to each other if

- they are individuals connected by blood relationship, marriage or adoption;
- one is an officer or director of the other;
- each such person is an officer or director of the same two corporations, associations, partnerships or other organizations;
- they are partners;
- one is the employer of the other;
- they directly or indirectly control or are controlled by the same person;
- one directly or indirectly controls or is controlled by the other;
- any other person directly or indirectly owns, holds or controls five per cent or more of the outstanding voting stock or shares of each such person; or
- one directly or indirectly owns, holds or controls five per cent or more of the outstanding voting stock or shares of the other.

The term "person" includes a partnership, corporation or an association.

Domestic Invested Enterprise (*DIE*)

The following types of enterprises, which exclude Foreign Invested Enterprises defined below, are considered DIEs:

- State-owned enterprises;
- Collective enterprises;
- Private enterprises;
- Joint venture enterprises;
- Joint stock enterprises;
- Any other organization deriving income from production and business operations and other income.

Enterprise

"*Enterprise*" includes a group of enterprises, an industry and a group of industries.

Financial Assistance

"*Financial assistance*" includes a quantifiable benefit.

Financial contribution

There is a "*financial contribution*" by a government where:

- (a) practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;
- (b) amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
- (c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- (d) the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

Foreign Invested Enterprise (FIE)

An FIE can take one of three forms

1. Turkish-foreign equity joint venture:

- Joint venture between a Turkish company, enterprise, or other business organization and a foreign company, enterprise, business organization or individual set up in the form of a Turkish limited liability company.
- The characteristics of a Turkish-foreign equity joint venture are joint investment, joint operation, and the participants share profits, risks and losses in proportion to their respective contributions to the registered capital of the joint venture.
- The proportion of the investment by the foreign party is no less than 25% in the registered capital of equity joint venture.

2. Turkish-foreign contractual joint venture:

- A joint venture established between foreign enterprises and other economic organizations or individuals, and Turkish enterprises or other economic organizations within the territory of Turkey. The rights and obligations of each party are determined in accordance with the agreement specified in the contractual joint venture contract. The investment or conditions for cooperation contributed by the Turkish companies and foreign parties may be provided in cash or in kind, or may include the right to the use of land, industrial property rights, non-patent technology or other property rights.

3. Wholly foreign owned enterprises:

- A wholly foreign owned enterprise is established by foreign enterprises and other economic organizations or by individuals pursuant to the Turkish laws within the territory of Turkey. All of the wholly foreign owned enterprise's capital is invested by foreign investors. It can also be referred to as a Foreign Enterprise (FE).

Government of Turkey (GOT)

For the purposes of this investigation “Government of Turkey” refers to all levels of government, i.e. federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by the Government of Turkey.

Like Goods

Like goods are goods that are identical in all respects to the subject goods exported to Canada, or in the absence of identical goods, goods the uses and other characteristics of which closely resemble those of the exported goods (similar goods). Refer to the specific characteristics contained under the definition of subject goods in Part A of this RFI.

Period of Investigation (POI)

The POI represents the time frame selected at the time of initiation to delineate the importations into Canada for which information is required and that will be investigated. The POI for this investigation is listed on the cover page of this RFI.

Person

Includes a partnership, corporation or an association.

Sale

Includes leasing and renting, an agreement to sell, lease or rent and an irrevocable tender.

Similar Goods

Similar goods are goods that are not identical in all respects but are similar in use and in characteristics to subject goods exported to Canada. Refer to the specific characteristics contained under the definition of subject goods in Part A of this RFI.

Special Economic Zone

Refers to an Organized Industrial Zone, Free Zone, Special Economic Area, Economic and Technical Development Zone, Bonded Zone, Export Processing Zone, High Technology Industrial Development Zone, or any other designated area where benefits from the government of Turkey (including central, provincial, municipal or county government) are conferred to a company because of being located in such an area.

State-Owned Enterprise (SOE)

“State-Owned Enterprise” means any company or enterprise that is wholly or partially owned by the government of Turkey (as defined above). This can include companies operating in a partnership or joint-venture capacity with the government of Turkey or whose shares are publicly traded and wholly or partially owned by the government of Turkey.

In order to be capable of granting a countervailable subsidy, an SOE must possess, exercise or be vested with government authority.

For further clarity, this definition also applies to state-owned commercial banks such as the Turk Eximbank.

Subject Goods

The definition of subject goods is contained in Part A of this RFI.

Subsidy

A financial contribution or any form of income or price support within the meaning of Article XVI of the GATT 1994, being part of Annex 1A to the WTO Agreement (**Attachment I** of this RFI), by a government of a country that confers a benefit to persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of subject goods but, does not include the amount of any duty or internal tax imposed by the government of the country of origin or country of export on:

- (i) goods that, because of their exportation from the country of export or country of origin, have been exempted or have been or will be relieved by means of remission, refund or drawback,
- (ii) energy, fuel, oil and catalysts that are used or consumed in the production of exported goods and that have been exempted or have been or will be relieved by means of remission, refund or drawback, or
- (iii) goods incorporated into exported goods and which have been exempted or have been or will be relieved by means of remission, refund or drawback.

PART D – GENERAL INFORMATION REQUESTED

- **Any specific documents requested below and other source material that you provide to support your responses to the questions must include a copy of the original document in the document's original language and must be accompanied by a translation in either English or French.**
 - **Failure to comply with the above instruction, failure to respond to any of the questions below or failure to provide the requested information may preclude the CBSA from considering your response to the RFI to be complete.**
 - **Where your response to the RFI is not complete, the amount of subsidy will be determined on the basis of information available to the CBSA. Such a determination may be less favourable to your firm than if full and verified information is made available.**
- D.1. Provide your company's complete legal name, complete mailing address including the City (town), Province and Postal Code (and corporate address if different), telephone and fax numbers. Provide the name and position of the officer in your company responsible for your response to this RFI, their telephone number, fax number and e-mail address. Also, state the nature of your company's business (e.g., manufacturer, trading/sales organization, distributor, etc.).
- D.2. Provide a brief history of your company and include the following information: when your company was started, a brief description of all the products that your company manufactures, its number of employees, the number of manufacturing facilities and any other information that is necessary for the CBSA to gain a better understanding of your company and its operations.
- D.3. Describe your corporate structure in terms of whether your company is a sole proprietorship, partnership, a limited liability company, or another type of corporate organization and indicate whether it is privately held, a publicly-listed corporation, a government agency, etc.
- D.4. Describe your company's internal and external corporate organization and provide organizational charts of both, explaining how you company fits into the larger corporate structure.
- D.5. Identify all related/associated companies. The definition of "*associated*" is contained in the Glossary in Part C of this RFI, and includes subsidiaries and parent companies. For **each** related/associated company, provide the following information:
- (a) Name of the company;
 - (b) Address (including the City or town, Province and Postal Code);
 - (c) Types of business;

- (d) Percentage of ownership;
 - (e) Type of ownership (privately-owned, publicly owned, limited liability company, joint venture, etc.);
 - (f) Description of the operations;
 - (g) List the products produced at each manufacturing plant or facility;
 - (h) Indicate whether these related/associated companies have provided your company with goods and/or services during the POI;
 - (i) Indicate whether your company has sold to any of these related/associated companies during the POI;
 - (j) Indicate whether these related/associated companies have sold goods or services to the government of Turkey during the POI;
 - (k) Address of the company's manufacturing plants or facilities;
 - (l) Distance, in kilometers, of each of the company's manufacturing plants or facilities from the city in which its main office is located; and
 - (m) Indicate the location of the company's books and financial records.
- D.6. Provide a copy of the latest publication concerning your company, its affiliates and products sold or manufactured. If you do not have a publication, provide copies of your product catalogue, price lists, specifications, etc.
- D.7. Identify the location of each plant where the subject goods were produced and shipped to Canada during the **POI**, and/or will be produced and shipped to Canada after the POI.
- D.8. How long has the facility that manufactures the subject goods, destined for Canada and your domestic market, been in operation?
- D.9. Is your company currently operating under or in the process of going into receivership or undergoing bankruptcy proceedings?
- D.10. Are any of the production facilities in your company operating in a start-up phase? If so, how long has each such facility been in operation?
- D.11. What was the first year your company became profitable?
- D.12. If your company is **not** the manufacturer of the subject goods shipped to Canada, indicate for each manufacturer of the subject goods:
- a) Name of the company and its address;
 - b) Telephone and fax numbers; and
 - c) Name, title and e-mail address of your contact person.

NOTE: *As noted in Instruction B21, in such circumstances you are required to immediately notify the CBSA, and provide the required contact information concerning the manufacturers of the subject goods to an officer identified on the covering page of this RFI. Failure to do so may*

result in the CBSA determining the amount of subsidy applicable to your company based on facts available to the CBSA.

At the same time, you must IMMEDIATELY forward a copy of this RFI (questionnaire) to each of the manufacturers concerned and make every effort to ensure that the manufacturer(s) provide(s) the required information directly to the CBSA by the due date indicated on the covering page.

- D.13. Indicate which, if any, of your associated companies have also exported subject goods to Canada during the **POI**.
- D.14. Identify and describe the major stages involved in producing the subject goods. For each major manufacturing stage, your description should include the type of machinery used.
- D.15. At each major manufacturing stage, identify the major material input materials² and consumables, and indicate whether these are imported or sourced domestically.
- D.16. Are there any qualitative differences between the subject goods sold to the importer[s] in Canada and the like goods sold in the domestic market, or in the absence of domestic sales of like goods, goods sold to other countries? If yes, describe the differences in terms of quality and cost of the finished products.
- D.17. Provide copies of your company's Annual Reports³, for fiscal years 2012 and 2013 (i.e., the last two fiscal years) as well as your audited financial statements⁴, including balance sheets, income statements, accompanying notes, sources and application of funds statement and the notes to the financial statements. If your associated companies are involved in the production or sale of subject goods, please include these companies' financial statements for the same periods, as well as any consolidated financial statements.
- D.18. Provide a complete list of your accounting and financial ledgers, for example, Sales, Purchases, Accounts Payable, Buildings & Equipment, etc. include:
- a) The title of the ledger or record;
 - b) A brief description of each ledger or record;
 - c) A computer report reference number, if applicable; and
 - d) The name of the department providing the information.

² An example of a major input material includes scrap steel or steel billet.

³ If you do not publish an annual report, provide the final management and financial report[s] prepared for the owners or Board of Directors or senior management showing the results of operations for the years in question.

⁴ If you do not have audited financial statements, provide the final financial statements prepared for the owners or Board of Directors or senior management for the years in question.

- D.19. Provide a copy of your chart of accounts. Identify the major groups and subgroups of account classifications, for example, Assets, with a sub-group Current Assets.
- D.20. Provide a list of all reports prepared on a periodic basis for senior management, for example, Aging of Accounts Receivable, Variance Analysis Reports, Fourth Quarter Results, Five Year Operational Plan, etc. The list should include:
- the title of the report;
 - a brief description of the information contained in each report;
 - the reason for the report;
 - a computer report reference number, if applicable;
 - the name of the department providing the information; and
 - the identity and position of the person(s) for whom the report was generated.
- D.21. Indicate the date of your company's fiscal year-end.
- D.22. For both 1 and 2 below, provide the following information, from a) to d) below:

<p>1. Your company; and</p> <p>2. Each subsidiary or division of your company that produces the goods shipped to Canada, or the goods sold domestically. *</p>	<p>a) audited financial statements for the last (1) fiscal year; **</p> <p>b) monthly financial statements for the last (1) fiscal year;</p> <p>c) financial statements for the current fiscal year-to-date; and</p> <p>d) monthly financial statements for the current fiscal year-to-date.</p>
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* If your company does not have divisional financial statements, provide any reports generated by the division, such as management reports, performance reports, production cost statements, operating reports or interim reports.

** Include all the financial statements prepared for the fiscal year end, the accompanying notes, the auditors' opinion and supplementary reports; or

Where audited financial statements do not exist, provide copies of the final unaudited financial statements approved by senior management. Include all accompanying notes and final reports. Explain why the company's financial statements are not audited.

- D.23. Provide any summary financial report used to reconcile all companies' financial data to the corporate annual report, for the last fiscal year.
- D.24. Provide any summary financial report used to reconcile all subsidiary or divisional financial data to the company financial statements, for the last fiscal year.

Respecting each subsidiary or division, for both 1 and 2 below, provide the following information, from a) to d) below:

<p>1. Each facility or factory, including <i>related</i> or <i>associated companies</i>; and</p> <p>2. Each product line.</p>	<p>a) Income or Profit and Loss statements for the last (1) fiscal year;</p> <p>b) Monthly Income or Profit and Loss statements for the last (1) fiscal year;</p> <p>c) Income or Profit and Loss statements for the current fiscal year-to-date; and</p> <p>d) Monthly Income or Profit and Loss statements for the current fiscal year-to-date.</p>
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D.25. Please provide a legible copy, bearing the official stamp of the appropriate level of the government of Turkey⁵ of all

- (a) corporate income tax acknowledgement form(s) and the income tax return(s) that your company filed for the 2012 and 2013 tax years. Include all schedules and attachments included with your return. In addition, please provide any amendments to your return.; and
- (b) income tax installment payment receipts, and all applicable income tax forms and schedules for the 2012 and 2013 tax years.

➤ *If your company did not file an income tax return in any of the tax years indicated, provide an explanation stating the reasons why you were exempt from filing such a return and the applicable section[s] of the Income Tax Act under which you were exempt from doing so.*

D.26. For each taxation year, complete the table below.

	TAX YEAR 2012		TAX YEAR 2013	
	Volume 6	Value ⁷	Volume	Value
Total <u>volume</u> <i>and</i> FOB <u>value</u> of domestic sales of all goods				
Total <u>volume</u> <i>and</i> FOB <u>value</u> of export sales of all goods				
Total net profit (loss)				

⁵ Refer to the definition of Government of Turkey found in Part C – Glossary.

⁶ Indicate the unit of measurement.

⁷ Indicate the currency.

Corporate Income Tax Rate		
Total taxable income		
Total income taxes paid		
Total income taxes exempted or refunded.		

D.27. Please provide the following information for each short and long-term loan held by your company:

- a) the name and address of the lending institution;
- b) the type of lending institution;
- c) the purpose of the loan;
- d) the terms and conditions of the loan, including the qualifying criteria;
- e) the total amount borrowed;
- f) the date the funds were released to your company and the duration of the loan;
- g) the date the loan was liquidated or will be liquidated;
- h) the interest rate applicable to the loan;
- i) the total amount of interest paid or accrued; and
- j) indicate whether the lending institution is owned, partially owned, or operated directly or indirectly by the government of Turkey.⁸ If so, provide the percentage of the government's ownership interest in the lending institution, and ensure that you respond to all questions in Part E, Section II and Section VI.

D.28. Is your required to pay land usage tax? Do you pay rent or is the land privately owned by your company or a related company? Provide the rate and amount of land usage tax paid for the tax year of 2012 and 2013 and indicate to whom the tax or rent was paid.

⁸ Refer to the definition of Government of Turkey found in Part C – Glossary

D.29. The following information is requested if *any level of government in Turkey* granted your company a credit, refund, exemption, reduction or deferral from payment of any kind of duties, sales tax and/or VAT tax. For each tax year, summarize the following information in tabular form:

	Tax year 2012	Tax year 2013
Total value of purchases of input materials exempted from taxes or duties.		
Total value of purchases of spare parts or machinery exempted from taxes or duties.		
Total value of purchases of consumables other than energy, fuel, oil or catalysts exempted from taxes or duties.		
Total sales taxes paid		
Total sales taxes exempted from payment (show totals exempted by each level of government)		

D.30. Provide a list of all the equipment/machinery used by your company in manufacturing the like and subject goods and include the following:

- a) Make and Model of the Machinery;
- b) Country of Origin;
- c) Whether it was purchased domestically or imported directly;
- d) The date of purchase; and
- e) The estimated number of years of useful life.

D.31. Complete the following table below for all equipment/machinery that your company has **imported** during the period of January 1, 2001 to March 31, 2014.

Date of Importation	Tariff Number	Type of Machinery	Invoice Cost	Currency	VAT Rate (%)	VAT Amount Paid	Customs Duty (%)	Amount of Customs Duty Paid	Amount of VAT exempted	Amount of Customs Duty Exempted	Country of Export

Complete the table for all equipment/machinery that your company has imported during the period of January 1, 2001 to March 31, 2014. The tariff number must be provided.

The table must be submitted in the correct format as shown above and the submission must include an electronic version of the table in Microsoft Excel format.

D.32. Complete the following table below for all equipment/machinery that your company has **purchased domestically** during the period of January 1, 2001 to March 31, 2014.

Date of Purchased	Type of Machinery	Invoice Cost	Currency	VAT Rate (%)	VAT Amount Paid	Amount of VAT exempted

D.33. For the POI, provide a list of your company’s shipments of subject goods to each importer in Canada, as specified in **Appendix 1**. Please refer to the electronic Excel® file “OCTG II - RFI Exporter Subsidy Appendices”

D.34. For your financial year(s) encompassing the POI, please provide the following information on a **MONTHLY BASIS** for *all* products produced and sold by your company, including subject and non-subject goods and other products, **subtotalled by product line:**

- (a) The total quantity of all products **produced**;
- (b) The total **quantity, FOB selling price and cost⁹** of **all products** sold:
 - i) to purchasers in Turkey;
 - ii) to importers in Canada; and
 - iii) to importers in other countries.
- (c) The total **quantity, FOB selling price and cost** of **subject goods** sold:
 - i) to purchasers in Turkey;
 - ii) to importers in Canada; and
 - iii) to importers in other countries.

D.35. (a) For the POI, please complete **Appendix II** regarding your domestic and imported purchases of major production inputs. Major production inputs include steel billet, hot-rolled coil, green tube, electricity, natural gas, steam coal, and any other significant input material.

(b) List the full name and address for each trading company and manufacturer listed in your response to **Appendix II**.

(c) Please provide mill certificates from the five largest purchases listed in **Appendix II**.

⁹ Cost includes the full cost of producing and selling the goods, including corporate allocations.

(d) As noted in instruction B22, you are also requested to forward a copy of **Appendix II** to each of your company's major production input suppliers, as identified in D36 (b). Each supplier is to then submit a completed **Appendix II**, along with responses to the **Appendix II** supplemental questions in **Appendix II**, to the CBSA address indicated on the front page of this RFI. Your suppliers' responses to the CBSA are also due no later than due date indicated on the cover page of this document. **Please list all of the suppliers you that you have sent Appendix II, and indicate the date you forwarded them Appendix II.**

D.36. (a) For each of the individual suppliers identified in D36, please indicate which of them are **associated** with your company.¹⁰

(b) As noted in instruction B23, you must forward this entire subsidy RFI to any and all **associated** suppliers. A separate response to this subsidy RFI must be provided by each associated supplier. The associated supplier should answer the subsidy RFI with respect to their own purchase or production of the production input they supply your company with. The production input they supply your company with should be considered the subject of this subsidy RFI from the associated supplier's perspective when they respond. **In order for your response to be considered complete, any associated suppliers' responses to the subsidy RFI are also due no later than the due date indicated on the cover page of this document. Please list all of the associated suppliers that you sent the RFI to, and the date that you forwarded them the subsidy RFI.**

D.37. Please describe sales of any products made by your company to the government of Turkey during the POI. Please indicate :

1. Type of product
2. Cost of production of the goods.
3. Sale price to the government
4. Quantity sold

¹⁰ Refer to the definition of "Associated Persons and/or Companies" in Part C

PART E – SUBSIDY PROGRAMS INVESTIGATED

List of Subsidy Programs to be Investigated

- *For each program listed in this Part and any other additional programs identified by your company, you are required to answer all the Standard Questions immediately following the program listing below.*
- *Please read carefully the requirements for responding to questions relating to each program. Failure to comply with the requirements may preclude the CBSA from considering your response to the RFI to be complete.*
- *Information is required to be provided for all programs, regardless of the year the benefits were granted by the Government of Turkey or received by your company, where the program benefits impact on the production and sales of subject goods during the POI.*
- *For purposes of this RFI, the term “program” may also refer to informal subsidies provided by the Government of Turkey, and can also refer to multiple individual, albeit similar, subsidies. It does not necessarily refer to formal programs maintained by the Government of Turkey, nor should it be taken to refer to one specific subsidy.*

The following are programs that the CBSA will be examining during the course of this Investigation:

1. Investment Encouragement Program – Exemption of customs duties on imported machinery and equipment
2. Investment Encouragement Program – Exemption of value-added tax on domestic and imported machinery and equipment
3. Investment Encouragement Program – Interest support
4. Investment Encouragement Program – Social security premium support
5. Investment Encouragement Program – Corporate or income tax reduction
6. Investment Encouragement Program – Land allocation
7. Turk Eximbank – Pre-shipment export credit program
 - Including sub-programs:
 - a. Priority development areas export credit program
 - b. Free trade zone pre-shipment foreign currency export credit program
8. Turk Eximbank Pre-shipment TL Export Credits
9. Turk Eximbank Pre-shipment FX Export Credits
10. Turk Eximbank – Foreign Trade Companies short-term TL export credit program
11. Turk Eximbank – Foreign trade companies short-term FX export credit program

12. Turk Eximbank – Pre-export TL credit program
Including sub-program:
 - a. Free trade zone pre-export foreign currency export credit program
13. Turk Eximbank – Pre-export credit TL & FX programs for small and medium scale enterprises
14. Turk Eximbank – Short-term export credit discount program
15. Turk Eximbank – Short-term pre-shipment rediscount program
16. Turk Eximbank – Specific export credit program
17. Turk Eximbank – International transportation marketing credit program
18. Turk Eximbank – Credit program for participating in overseas trade fairs
19. Turk Eximbank – International Islamic Trade Finance Corporation backed production finance credit program
20. Turk Eximbank – Export finance intermediation loan agreement
21. Turk Eximbank – The European Investment Bank credit program
22. Turk Eximbank – Buyers' credit and guarantee program
23. Turk Eximbank – Short-term export credit insurance program
24. Turk Eximbank – Medium & long-term export credit insurance program
25. Regional based Organized Industrial Zone (OIZ) and Free Zone (FZ) Energy support program
26. OIZ and FZ Law 5084 - Withholding of Income Tax on Wages and Salaries
27. OIZ and FZ Law 5084 – Incentive for Employers' Share in Insurance Premiums
28. OIZ and FZ Law 5084 – Allocation of free land
29. OIZ and FZ Law 5084 – Provision of electricity for less than adequate remuneration
30. OIZ – Exemption from property tax, and other exemptions
31. OIZ –Waste water charges
32. OIZ – Exemptions from customs duties, value-added tax, and payments for Public Housing Fund
33. OIZ – Credits for research and development investments, environmental investments, certain technology investments
34. OIZ – Exemption from building and construction charges
35. OIZ – Exemption from amalgamation and allotment transaction charges
36. Free Zones Law – Provision of buildings and land use rights for less than adequate remuneration
37. Free Zones Law – Corporate income tax exemption
38. Free Zones Law – Stamp duties and fees exemptions
39. Free Zones Law – Customs duties exemptions
40. Free Zones Law – Value-added tax exemptions
41. Goods/Services provided by the Government of Turkey at Less than Fair Market Value - Provision of natural gas
42. Goods/Services provided by the Government of Turkey at Less than Fair Market Value - Provision of coal
43. Research and Development – Tax breaks and other assistance
44. Research and Development – Product development support – UFT
45. Social Security Grant Program
46. Deduction from taxable income for export revenue
47. Inward processing certificate exemption

48. National Restructuring Plan & subsidies to vertically integrated & associated OCTG producers under the National Restructuring Plan
49. Provision of hot-rolled steel for less than fair market value
50. Deduction from taxable income for export revenue – preferential benefits for Turkish OCTG Producers in located in Free Zones
51. VAT and Customs Duties Exemptions on Investment

Any Other Program not Previously Addressed

There may be other assistance programs administered directly or indirectly by the Government of Turkey resulting in benefits granted and/or received by your company.

Such assistance programs are those that constitute a subsidy as defined in Paragraph 1 of Part B, consisting of:

- i) any financial contribution as defined in Part C, or
- ii) any form of income or price support within the meaning of Article XVI of the GATT 1994, as described in **ATTACHMENT I**,

that confers a benefit to persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of the subject goods.

INFORMATION REQUESTED ON ALL ALLEGED SUBSIDY PROGRAMS

Please provide the following information for each of the programs identified above, as well as any other programs not previously addressed:

Identify the amounts of the benefits received under this program from the government of Turkey¹¹, by your company during the **POI**.

- SQ.1 Provide copies of the accepted application form, all attachments and all contractual agreements entered into between your company and the government of Turkey.
- SQ.2 Outline the fees charged to, or expenses incurred by your company for purposes of obtaining benefits.
- SQ.3 Specify the eligibility criteria your company had to meet in order to receive benefits under this program.
- SQ.4 State whether eligibility was, or is currently contingent on one or more of the following criteria:
- whether or not your company exports or has increased its exports;
 - the use of domestic rather than imported inputs;
 - the industry to which your company belongs; or
 - the region in which your company is located.
- SQ.5 Specify the criteria your company actually met to receive the particular amount of assistance provided.
- SQ.6 If the activity to be supported by the funding was specified in the approval documents, please identify the activity and provide supporting documentation.
- SQ.7 What records does your company keep regarding each of the benefits received under this program? Provide your company's executed application forms and other application documents with respect to this program along with a detailed explanation.
- SQ.8 Indicate where benefits under this program can be found in your accounting system (i.e., specify the ledgers or journals) and financial statements. Specify whether the benefits were amortized and if so, over what period of time.
- SQ.9 Has the program been terminated? If so, please explain. When is the last date that your company could apply for or claim benefits under the program? When is the last date that your company could receive benefits under the program? Indicate whether the program has now been replaced by another comparable program.

¹¹ Refer to the definition of Government of Turkey found in Part C – Glossary. This definition applies for all references to the term Government of Turkey used in this document.

PROGRAM-SPECIFIC INFORMATION REQUESTED ON SPECIFIC SUBSIDY PROGRAMS UNDER INVESTIGATION

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 1 to 6 - Investment Encouragement Program:

1. Please explain whether your company has ever purchased or acquired land from the government of Turkey or a government of Turkey entity? If so, please provide the terms of each purchase/acquisition (e.g., land area acquired, price, date of sales, etc.) and provide a copy of the contract of sale for each.

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 7 to 24 - Turk Eximbank Programs:

The following information is requested respecting each loan where: principal and/or interest was paid, accrued or forgiven on loans (short-term loans under one year or long-term loans) during the **POI**, funded directly by the government of Turkey or indirectly through any financial institution of the Turk Eximbank or guaranteed by the government of Turkey, whether domiciled in Turkey or in another country (for purposes of this section these loans are referred to as **government loans**).

These loans include those made directly by the government of Turkey, as well as those made by the any other policy lending banks and state-owned or partially state-owned commercial banks.

2. Please provide:
 - a) the name and location of the lending institution;
 - b) the type of lending institution;
 - c) the purpose of the loan;
 - d) the terms and conditions of the loan, including the qualifying criteria;
 - e) the guarantor of the loan (if applicable);
 - f) the total amount borrowed;
 - g) the date the funds were released to your company and the duration of the loan;
 - h) the date the loan was liquidated or will be liquidated;
 - i) the interest rate applicable to the loan;
 - j) the total amount of interest paid;
 - k) provide the interest rate for loans that would have been available to your company, had your company **not** received the government loans. The interest rate must be supported by a statement from the bank[s] from which you obtained similar loans. The interest rates should reflect loans in the same amount, currency, and for the same length of time, as the government loans.
3. Are any of the lending institutions from which you obtained government loans associated with your company? [See Part C for the definition of "associated persons and/or companies".]
4. Are any of the lending institutions from which you obtained government loans associated with the government of Turkey?

5. Identify the percentage of the government's ownership interest in the lending institutions from which you obtained government loans.
6. If the lending institutions from which you obtained government loans are privately-held institutions, explain how the government of Turkey compensated the institution if it was required by the government to provide loans at rates that were lower than the rates of interest that prevailed in the market place at that time.
7. Has the government of Turkey forgiven any government loans, either partially or totally? If yes, please identify the loans and provide all relevant details.
8. Indicate the criteria that your company had to meet to obtain its loans.
9. Please provide the prevailing interest rates in 2012, 2013 and first quarter of 2014 in Turkey for loans respecting domestic sales as well as loans respecting export sales.
10. Please provide the prevailing interest rates in 2012, 2013 and first quarter of 2014 in Turkey for short-term loans respecting domestic sales as well as short-term loans respecting export sales.

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 25 to 40 - Regional Based, Organized Industrial Zone (OIZ) and Free Zone (FZ):

It is our understanding that the government of Turkey applies a lower rate of tax on corporate income for the companies located in Organized Industrial Zones (OIZ) and Free Zones, and that these companies may benefit from other incentives offered by OIZs and Free Zones.

11. Are any of your company's operations in an Organized Industrial Zone, Free Zone, or any other designated area where benefits from the government of Turkey (including central, provincial, municipal, county or any other level of government) are conferred to your company because of being located in such an area?
12. If your answer is yes to question 1, please explain the nature of the operations, identify the specific zone(s) [or other area(s)] and provide a brief overview of all of the benefits of operating within the specified zone(s) or area(s).
13. Does your company receive any services for being located in an OIZ or Free Zone, such as human resources services, construction services, foreign investment services, or business services? If yes, estimate the value of these services based on what your company would have paid for these services.

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 41 & 42 Provision of Goods and or Services at less than Fair Market Value:

Questions Regarding Purchases of Natural Gas in Turkey:

14. Please ensure that you have completed **Appendix II**, with respect to your purchases of natural gas during the POI. Please also ensure that you have forwarded a copy of **Appendix II** and the supplemental questions to your supplier of natural gas, as requested in question D.35.d. You should report this purchase information regardless of whether your company used the input to produce the subject merchandise during the POI.
15. Are there trade publications which specify the prices of natural gas within Turkey and on the world market? Provide a list of these publications, along with sample pages from these publications listing the prices of natural gas within Turkey and in world markets during the POI.
16. Please provide a worksheet that shows your company's per-unit expenses for transporting natural gas to your company's factory complexes for each month of the POI. Please differential between imported and domestically produced gas and, if possible, by supplier.
17. Provide a copy of the contract (and translations) of any contract between your company and your natural gas supplier, that (1) established the terms of the any transmission/distribution fees charged on imported gas during the POI and/or (2) established the terms of sale on the overall purchase of gas during the POI.
18. Provide a copy of the contract (and translations) of any contract between your company and your natural gas supplier, that (1) established the terms of the any transmission/distribution fees charged on domestic natural gas during the POI and/or (2) established the terms of sale on the overall purchase of gas during the POI.

Questions Regarding Purchases of Steam Coal in Turkey:

19. Please ensure that you have completed **Appendix II**, with respect to your purchases of steam coal during the POI. Please also ensure that you have forwarded a copy of **Appendix II** and the supplemental questions to your supplier of steam coal, as requested in question D.35.d. You should report this purchase information regardless of whether your company used the input to produce the subject merchandise during the POI.
20. Are there trade publications which specify the prices of steam coal within Turkey and on the world market? Provide a list of these publications, along with sample pages from these publications listing the prices of steam coal within Turkey and in world markets during the POI.

21. Please provide a worksheet that shows your company's per-unit expenses for transporting steam coal to your company's factory complexes for each month of the POI.
22. Provide a copy of the contract (and translations) of any contract between your company and your steam coal supplier, established the terms of sale and purchase price paid for purchases of steam coal during the POI.

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 43 & 44 R & D:

23. Does your company conduct any R&D? If so, does your company benefit from any tax exemptions, deductions, or credits related to the R&D and innovation efforts?
24. Does your company benefit from any tax exemptions, deductions, or credits related to R&D and innovation efforts that are not part of the programs listed in Part E.? If so provide details of the tax benefits from which you benefited, as well as the reason or efforts for which you received such benefits.
25. Has your company invested in any energy-saving technology, facilities, machinery, or infrastructure? If so, did your company benefit from any tax exemptions, deductions, or credits related to the energy-saving efforts?
26. Has or does your company benefit from any tax exemptions, deductions, or credits related to any other energy-saving or "green" or "eco" efforts that are not part of the programs listed in Part E? If so provide details of the tax benefits from which you benefited, as well as the reason or efforts for which you received such benefits.
27. Has your company invested in any human resources development? If so, did your company benefit from any tax exemptions, deductions, or credits related to the human resource efforts?
28. Has or does your company benefit from any tax exemptions, deductions, or credits related to any other human resource efforts that are not part of the programs listed in Part E? If so provide details of the tax benefits from which you benefited, as well as the reason or efforts for which you received such benefits.
29. Has your company invested in any overseas operations? If so, did your company benefit from any tax exemptions, deductions, or credits related to any form of overseas operations or earnings flowing back to Turkey from the overseas operations?

In addition to the Standard Questions above, please answer the following respecting Part E. Programs 48 to 50 National Restructuring Plan:

30. Provide full details of this Plan since the start of the plan and subsequent updates to the plan.

31. Provide full details since the start of the plan regarding the subsidies received by your company. Identify the specific National Restructuring Plan Benefit and each amount received since the beginning of this plan.

Part E. - Any Other Programs Not Previously Addressed – Question

32. If the government of Turkey, any of its agencies or any other authorized non-governmental body provides any other assistance programs (including market development assistance programs or any domestic support programs related to the manufacture of subject goods) not previously addressed, please identify the program(s).

Such assistance programs are those, which constitute a subsidy as defined in Paragraph 1 of Part B, consisting of:

- i) any financial contribution as defined in Part C; or
- ii) any form of income or price support within the meaning of Article XVI of the GATT 1994, as described in **Attachment I**;

that confer a benefit to persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of the subject goods. For greater clarity, this includes any subsidy which is contingent, whether solely or as one of several other conditions, upon export performance, including those illustrated in Annex I of the Agreement on Subsidies and Countervailing Measures (copy attached as **Attachment II**). This also includes any subsidy program which is contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods (i.e. where the Government of Turkey provides financial assistance to exporters of the subject goods for purposes of reducing their cost of domestically sourced inputs, tools, machinery and so forth with the result that the said goods are purchased from domestic producers rather than from other countries).

33. **For each such program**, please provide a detailed narrative covering the operation of each program. For each program, please include the date that the program first came into operation, as well as the effective dates of any significant changes in how the program operates. Please also stipulate whether the program was in operation during the **POI** and if it continues in operation today. If the program has been terminated, indicate the date that it was terminated and whether there are any administrative arrangements in effect which allows companies to continue to benefit from the program.
34. Identify the level[s] of government, the department[s], address[es], e-mail address, facsimile and telephone numbers and the name of a senior official therein, responsible for providing and administering the program in question.

35. Identify the nature of the financial assistance/benefits received by your company during the **POI**, i.e., loans at preferential rates of interest, grants, etc., and provide a detailed description of the incidence [including, the details of what the financial assistance or the funds obtained through preferential loans or loans guaranteed by the government of Turkey were used for, the date[s] of approval and date[s] that the benefit was received by your company] and duration of assistance under each program.
36. Describe the eligibility criteria that your company had to meet in order to qualify for financial assistance under each program.
37. Specify the amounts of assistance and/or quantify the benefits obtained by your company during the **POI**, through initiatives by the government of Turkey with respect to each program identified above. Please provide the information on a monthly basis according to source (i.e. level of government) of funding/benefits accrued and date of receipt.
38. Provide a breakdown of the costs that were incurred by your company in obtaining the assistance under each program.
39. Provide copies of all completed application forms that your company has filed with the government of Turkey and the official approval notifications, which has resulted in your company receiving financial assistance and/or benefits under each of the programs during the **POI**.
40. Provide copies of all contractual agreements that detail the obligations of the government and your company with reference to the granting and receipt of the assistance/benefits.
41. Where available, provide copies of the laws, regulations and/or other legal instruments under which the assistance was obtained.
42. Provide copies of all published literature [brochures, etc.] relating to the program.

PART F – TREATMENT OF CONFIDENTIAL AND NON-CONFIDENTIAL INFORMATION

Submitted to the CBSA for all Proceedings under SIMA

Why Provide Confidential and Non-Confidential Information?

The *Special Import Measures Act* (SIMA) requires that confidential information submitted to the CBSA be accompanied by a non-confidential (public) version of the information. The following explains how non-confidential and confidential information will be handled and how to prepare both a confidential and non-confidential submission of your information.

Treatment of Your Non-Confidential Information

Your non-confidential information will be given to any party that asks for this information for the purposes of the proceeding.

Treatment of Your Confidential Information

There are certain times when the CBSA will release your confidential information: first, to independent counsel for a party to the proceeding; and second, to Canadian courts, tribunals and panels.

1. Confidential information will be provided to independent counsel for a party to the proceeding. Counsel includes any *person* who represents another party in the proceeding and includes legal counsel. A party is a person, or business, that participates in and has a direct interest in the proceeding.

Counsel must ask for the confidential information in writing and must provide a written guarantee to the CBSA stating that they will:

- only use the information in relation to this proceeding;
- not give out the information;
- protect the information;
- not copy the information without the CBSA's permission;
- destroy the information when they are done;
- provide the CBSA with a written notice that the information is destroyed; and
- report any violations or possible violations to the CBSA.

We will not give your confidential information to independent counsel if the CBSA believes that it might cause harm to you or your business.

2. Confidential information will be given to the Canadian International Trade Tribunal, any Court in Canada, a Binational or World Trade Organization (WTO) Panel, to act on appeals. These organizations will use your information to fulfill their responsibilities under Canadian law, NAFTA or WTO Agreements. The confidential information is subject to the rules of procedure of the Court or Panel to which it is provided.

Providing Only Non-Confidential Information?

If you decide that your reply to this RFI does not contain confidential information, every page of your reply should be marked "NON-CONFIDENTIAL". You must make a statement, in a covering letter, that you do not consider any information in your submission to be confidential.

Providing Confidential Information?

If your reply to this RFI contains confidential information, this reply, along with all of the attachments and supporting documents, will be your confidential submission. You must:

1. Clearly indicate, by either enclosing all confidential information within square brackets or by shading all confidential information contained in the confidential version. An sample of each method is provided in the "Non-confidential Edited Version If Providing Confidential Information" section below, and
2. Clearly mark "CONFIDENTIAL" on every page of the confidential submission, including all attachments.

Note: Do not bracket any information contained in confidential Appendices 1 and 2 of this RFI, such is to be submitted in an electronic format (Excel document).

If you have a submission with confidential information, for the CBSA to be able to use your information, **you must provide a non-confidential version**. It is important that your non-confidential version is complete, as it will be provided to other parties involved in these investigations if they request it.

Your non-confidential version may be in the form of:

- a non-confidential edited version; or
- a non-confidential summary version, where the edited version would not contain enough information to convey a reasonable understanding of the information submitted in the confidential version

Non-confidential Edited Version

An edited version has the confidential information removed, to create a non-confidential version. You must leave enough detail to provide an understanding of the confidential information removed.

In the document called "**Non-Confidential Statement**" attached to this section, which must be attached with your non-confidential version, you must:

- A) explain briefly the nature of the confidential information removed in your non-confidential version; and
- B) give the reasons why you request that the information be treated confidential, as explained in this part of the **RFI**.

In the following example, the text indicates the nature of the bracketed [confidential information] that has been deleted in the non-confidential version.

The confidential response to a request may be: The selling price of model ABC to our Canadian distributor was US\$[25.99] per unit.

The non-confidential edited version of this response may be: The selling price of model ABC to our Canadian distributor was US\$[] per unit. In this example, the nature of the information removed in the non-confidential version relates to “selling price information.”

NOTE: the spacing between the brackets [] should reflect the same spacing as in the confidential version.

As a further example, the following would represent an acceptable edited version of an export sales listing. A sample page for a multi-page listing could look like this:

Importer	Shipment Date	Invoice Number	Invoice Date	Quantity	Unit Price	Total Price
[]	2011-02-16	14064555	2011-02-16	[]	[]	[]
[]	2011-03-14	14179020	2011-03-12	[]	[]	[]
[]	2011-04-14	14253018	2011-04-16	[]	[]	[]
[]	2011-05-09	14474937	2011-05-09	[]	[]	[]

NOTE:

Do not use “shading”, “highlighting”, “font colors” or any other type of masking to hide confidential information in the non-confidential electronic version. You must delete (remove) the confidential information in the non-confidential version.

If you use a black marker to hide confidential information on the paper version of the non-confidential version or in any attachments to the non-confidential version, please ensure that the black shading covers everything and that it is dark enough not to reveal confidential information when we will save electronically your documents in PDF format.

Non-Confidential Summary Version

Where deleting information for a non-confidential edited version would not leave enough detail to provide an understanding of the confidential information removed, a non-confidential summary of the deleted information must be included, describing the confidential information that has been removed.

If you intend to provide a non-confidential summary of an appendix or attachment, the non-confidential narrative would normally be accompanied by at least one (1) sample page, with the confidential data removed, of the related appendix or attachment.

Review of Non-Confidential Submission

The non-confidential version of your submission will be reviewed by the CBSA to ensure that it is in sufficient detail to convey a reasonable understanding of the substance of the information submitted in the confidential version.

If CBSA determines that an adequate non-confidential edited version *or* a non-confidential summary of information designated as confidential has not been provided by the respondent, and the respondent fails to justify why it cannot be provided, does not take corrective action or does not submit a revised version, the CBSA will **NOT** use the confidential information provided by your firm in the proceedings. As a result, the CBSA's determination will be based on the best information available. It is imperative that companies delete only the minimum information necessary to protect their interests and only what is confidential.

You will find on the next page the Non-Confidential Statement that needs to be completed and attached with your non-confidential edited version or non-confidential version.

NON-CONFIDENTIAL STATEMENT

Nature of Information Deleted in the Non-confidential Version and Reasons for Designating Information as Confidential

[Note: this document should be reproduced, completed and signed on the letterhead of your company or of your counsel.]

Section 1 – Answers to the RFI

- A) Explain briefly the nature of the confidential information removed in your non-confidential version response to the RFI (i.e. name of customers, sales value, sales volume etc.).

- B) Reasons why you request that the information be treated confidential

Section 2 – Appendices, Attachments and Supporting Documents

- A) Explain briefly the nature of the confidential information in Appendices, attachments and supporting documents, removed in your non-confidential version response (i.e. sales & costing data, transaction documentation, financial statements etc.).

- B) Reasons why you request that the information be treated confidential.

I, _____, _____ of _____
(Print name) (Print Position) (Print name of company)

Signed: _____

PART G – REQUEST FOR INFORMATION CHECKLIST

Must be submitted with your response to the RFI

Please respond to each of the following questions by placing a checkmark in the “yes” or “no” column. **If a response is no**, provide an explanation as to why you have not complied with the instructions.

Question 1:	Yes	No	
Did you provide a confidential and non-confidential version of your response in accordance with the disclosure instructions in the Request?			If no, reason:
Question 2:	Yes	No	
Did you complete the Non-Confidential Statement for designating information as confidential?			If no, reason:
Question 3:	Yes	No	
Did you bracket or shade the confidential information in the confidential response?			If no, reason:
Question 4:	Yes	No	
Did you place empty brackets or shade area where information was omitted from the non-confidential version?			If no, reason:
Question 5:	Yes	No	
Is your response, submitted on CD or DVD, numbered consecutively from start to finish, including appendices and attachments?			If no, reason:

PART H – CERTIFICATE OF VERACITY, ACCURACY AND COMPLETENESS

[Note: This certificate should be reproduced and signed on your company's letterhead by a responsible officer who has authority to respond on behalf of your company.]

I, _____, _____ of _____
(Print name) (Print Position /Title) (Print name of company)

certify that the information contained in this submission to the CBSA in response to the Exporter's Subsidy Request for Information concerning the subsidy investigation into certain OCTG originating in or exported from Turkey is true, accurate and complete.

Signed: _____

Date: _____

Telephone number of signatory: _____

Fax number of signatory: _____

E-mail address of signatory: _____

Address of signatory: _____

This Appendix is in reference to question D33 of the RFI.

APPENDIX 1 – EXPORTS TO CANADA

Refer to the “Format of Information Submitted” guidelines in this RFI for instructions when providing electronic information.

Please refer to the electronic Excel® file “**OCTG II - RFI Exporter Subsidy Appendices**” included with this RFI for completion of this Appendix.

Column Descriptions for Appendix I

The column names specified in the following summary must be used in your Microsoft Excel files submitted to the CBSA. If some of these columns are not applicable, exclude them from your spreadsheet, prepare an explanation, and attach it to your response.

In any column which requests dates, present the information using the YYYY-MM-DD format (example, May 18, 2012 would be indicated as 2012-05-18).

Model Number	Indicate the product number assigned by your company to the product sold and used in your company’s invoices/purchase orders. This should act as the unique identifier.
Product Type	Indicate the type of OCTG product: Seamless Tubing Welded Tubing Welded Casing Seamless Casing Green Tube
Grade	Indicate the grade of the product according to the product definition.
Outside Diameter	Indicate the outside diameter of the product in inches.
Length	Indicate the length range of the OCTG as per the API 5 CT specification (R1, R2, R3): Range 1 casing 16 - 25 feet Range 2 casing 25-34 feet Range 3 casing 34-48 feet Range 1 tubing 20-24 feet Range 2 tubing 28-32 feet.
Customer Name	Indicate the name of the customer.
Customer Number	Indicate the number used to identify the customer in your computer records.
Place of Direct Shipment	Indicate the place from where the goods were shipped directly to the importer/customer.
Factory Location	The name and location of the production facility or factory where the product was produced.
Manufacturer	If your company did not manufacture the product, indicate the name of the manufacturer of the product.

PO Number	Insert the purchase order number.
PO Date	Insert the date of your customer's purchase order (yyyy-mm-dd).
Date Shipped	Indicate the date (yyyy-mm-dd) the goods were shipped (i.e. the date the product left your factory/warehouse).
Date of Sale	Indicate the date of sale (refer to the definition in the Glossary). The date to be inserted (yyyy-mm-dd) is generally the date of acknowledgment of the customer's order when the principle terms are finalized (generally the order confirmation date).
Invoice Number	Indicate the invoice number.
Invoice Date	Report the date of the invoice issued by your company (yyyy-mm-dd).
Shipment Terms	Indicate whether the goods were sold on a CIF, FOB ex-factory, FAS basis, etc.
Theoretical Weight	Indicate the theoretical weight of the product shipped in kilograms (kg) or metric tonnes (MT).
Actual Weight	Indicate the actual weight of the product shipped in kilograms (kg) metric tonnes (mt).
Currency	Indicate the currency of settlement for the sale.
Unit Selling Price	Indicate the unit-selling price of the product recorded on the invoice and if the terms of sale are on a theoretical basis, convert the selling price to a per metric tonnes basis.
Extended Selling Price	Indicate the full invoice value of the goods. This value should be the quantity multiplied by the unit price.
Inland Freight	Indicate the amount of inland freight charges included in the total price of the goods that you incurred. These are generally the charges from the mill to the port of shipment.
Ocean Freight	Indicate the amount of all other export charges included in the selling price of the product for freight charges to the importer in Canada that you incurred. These include <i>ocean freight, port charges, container freight charges, dock charges</i> , warehousing, insurance, <i>bank charges, brokerage fees</i> , product packaging or <i>coating</i> and any other export charges incurred.
Duty	Indicate the amount included in the selling price for Canadian customs duties and Canadian taxes.
Prompt Discount	Indicate the amount of the discount for prompt payment.
Other Discounts	Indicate the amount for any other discounts granted.
Rebate & Allow	Indicate the amount of any rebates and/or allowances granted.
Other Price DJ	Indicate the amount of any other price adjustments
Net Price	Extended selling price less all costs/charges/discounts, etc.
Net Unit Price	Net price divided by quantity.
Payment Terms	The terms of payment (i.e. 2% 10 net 30 days).
Date Paid	Indicate the date your company received payment for the goods (yyyy-mm-dd).
Value-added Coating	Indicate whether the product is coated and the type of coating (e.g. premium corrosion or wear-resistant coatings; phenol, epoxy, or resin based coatings).

APPENDIX II – PRODUCTION INPUT PURCHASES

This Appendix is in reference to question D35 of the RFI

This Appendix includes this spreadsheet and the questions on the following page which are both to be answered by your company and to be sent to your production input suppliers

Please refer to the electronic Excel® file **OCTG II - RFI Exporter Subsidy Appendices.xlsx** included with this RFI for completion of this Appendix.

TYPE & GRADE	DOMESTIC OR IMPORTED	SELLING COMPANY'S NAME	TYPE OF COMPANY	IS THE SELLING COMPANY AN SOE?	MANUFACTURER OF GOODS	IS THE MFG. AN SOE?	INVOICE NUMBER	INVOICE DATE	QTY	GROSS PURCHASE PRICE	VAT	NET PURCHASE PRICE (NET OF VAT)	CURRENCY
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Column Descriptions:

Type and Grade:	Specify major production input and grade (if applicable) – e.g., steel billet, hot-rolled coil and green tube, electricity, natural gas, steam coal, etc.
Domestic or Imported:	Specify whether the purchased input is domestic or imported
Selling Company's Name:	Provide the name of the company that sold the production input
Type of Company:	Indicate if the selling company is a Manufacturer or a Trading Company
Manufacturer of the Goods:	If the Selling Company is a trading company, provide the name of the manufacturer
Is the Selling Company an SOE:	Indicate if the selling company is state-owned as defined in the RFI Guidelines
Is the Manufacturer an SOE:	Indicate if the manufacturer of the goods is state-owned as defined in the RFI Guidelines
Invoice Number:	Provide the invoice number for the purchase transaction
Invoice Date:	Provide the date of the purchase invoice (yyyy/mm/dd)
Quantity:	Indicate the quantity of the purchase
Gross Purchase Price	Provide the total purchase price for the goods, including VAT.
VAT:	Indicate the amount of VAT included in the purchase price
Net Purchase Price:	Provide the purchase price for the goods, net of all discounts, rebates and VAT
Currency:	Indicate the currency of the Purchase Price columns

Appendix II CONTINUED – Supplemental Questions For Suppliers (Selling Companies) of Production Inputs for Subject Goods

1. Describe your corporate structure in terms of whether your company is a sole proprietorship, partnership, a limited liability company, or another type of corporate organization and indicate whether it is privately held or a publicly listed corporation.
2. Please indicate if your company is wholly, or partially, state-owned, and what percentage of ownership is held by the Government of Turkey. For the purposes of answering this Appendix, Government of Turkey is defined as all levels of government, i.e. federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by the Government of Turkey.
3. Please identify the production input that you sold to the exporter of the subject goods. This could include scrap steel, steel billet, electricity, natural gas, steam coal, or any other major production input.
4. Does your company operate as a manufacturer or as a trader? Please describe any selling functions your company performs.
5. In the event you operate as a trader, are the inputs your company sells to the exporter of subject goods purchased outright by your company before being resold to the exporter, or do you act as a commissioned sales agent for the manufacturer.
6. In what manner do you determine the selling price of the production inputs? Is there a set mark-up to your purchase price that is utilized to establish a selling price?

If you identified your company as an SOE in your response to question 2, please answer the following questions:

7. Please provide a copy of your company's Articles of Association and/or any other documents that form the legal basis for the establishment of your company. Provide a fully translated copy along with the original Turkish versions.
8. Please explain the reporting hierarchy of your company and indicate who directs, manages and controls the operations of the company.
9. How are the operations of the company funded?
10. How is the performance of the company measured? For example, profitability, employment, output, social wellbeing, etc.
11. How are profits of the company distributed and to whom?
12. What percentage of your company is owned by the government?

13. Please explain whether there is Government of Turkey legislation or guidelines concerning the Government of Turkey's role with respect to SOE's. Provide a fully translated copy of the legislation or guidelines along with the original Turkish versions.

14. Please explain how government laws, policies, opinions, guidelines, etc. are communicated to your company, and the consequences to your company for not following these laws, etc.

15. Please provide a list of the members of your company's Board of Directors.

16. How are members of your Board of Directors appointed?

17. Explain the requirements in law, and in practice, to have government representation at any level of the company.

18. Are there any restrictions on your shareholders in terms selling or transferring their shares or any other restrictions on ownership of your company? If so, please specify the details and provide the relevant document(s) that impose these restrictions.

19. Please indicate whether there is any requirement, in law or in practice, to have government representation at any level of your company. If so, please explain how these representatives are selected, and what their roles and responsibilities are within the company.

20. Please indicate whether your company has recently been directed to merge with another company by the government.

21. Please explain the mechanism through which the government may provide guidance or approval respecting the pricing or allocation of inputs into your production processes, including raw materials, energy and labour costs?

22. Please explain the mechanism through which the government may provide guidance or approval respecting the pricing and/or quantity of the goods produced by your company?

23. Are there any restrictions or requirements in terms of where your company or its production facilities are allowed to be located? If so, please specify the details and provide the relevant document(s) that impose these restrictions.

24. Is your company required to engage in any sort of regional or social development or assistance? Does your company engage in the provision of housing, education, health care, social welfare services, policing and security? If so, please specify the details and provide the relevant document(s) that set forth these requirements along with the relevant planning or policy documents.

25. Please describe in detail any instances in which the government covered your company's operating losses, granted bail-outs, granted exemptions from bankruptcy rules or provided any other assistance due to the unprofitability or insolvency of your company?

26. Please describe any functions that your company performs that would ordinarily be viewed as governmental.

ATTACHMENT I
INCOME AND PRICE SUPPORT
(GATT 1994, ARTICLE XVI, SECTION A1)

ATTACHMENT I

[Excerpt of General Agreement on Tariffs and Trade 1994]

Article XVI*

Subsidies

Section A - Subsidies in General

1. If any contracting party grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of any product from, or to reduce imports of any product into, its territory, it shall notify the CONTRACTING PARTIES in writing of the extent and nature of the subsidization, of the estimated effect of the subsidization on the quantity of the affected product or products imported into or exported from its territory and of the circumstances making the subsidization necessary. In any case in which it is determined that serious prejudice to the interests of any other contracting party is caused or threatened by any such subsidization, the contracting party granting the subsidy shall, upon request, discuss with the other contracting party or parties concerned, or with the CONTRACTING PARTIES, the possibility of limiting the subsidization.

Section B - Additional Provisions on Export Subsidies*

2. The contracting parties recognize that the granting by a contracting party of a subsidy on the export of any product may have harmful effects for other contracting parties, both importing and exporting, may cause undue disturbance to their normal commercial interests, and may hinder the achievement of the objectives of this Agreement.

3. Accordingly, contracting parties should seek to avoid the use of subsidies on the export of primary products. If, however, a contracting party grants directly

or indirectly any form of subsidy which operates to increase the export of any primary product from its territory, such subsidy shall not be applied in a manner which results in that contracting party having more than an equitable share of world export trade in that product, account being taken of the shares of the contracting parties in such trade in the product during a previous representative period, and any special factors which may have affected or may be affecting such trade in the product.*

4. Further, as from 1 January 1958 or the earliest practicable date thereafter, contracting parties shall cease to grant either directly or indirectly any form of subsidy on the export of any product other than a primary product which subsidy results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market. Until 31 December 1957 no contracting party shall extend the scope of any such subsidization beyond that existing on 1 January 1955 by the introduction of new, or the extension of existing, subsidies.*

5. The CONTRACTING PARTIES shall review the operation of the provisions of this Article from time to time with a view to examining its effectiveness, in the light of actual experience, in promoting the objectives of this Agreement and avoiding subsidization seriously prejudicial to the trade or interests of contracting parties.

* Asterisks mark the portions of the text which should be read in conjunction with notes and supplementary provisions in Annex I to the World Trade Organization Agreement.

ATTACHMENT II
ILLUSTRATIVE LIST OF EXPORT SUBSIDIES

***(AGREEMENT ON SUBSIDIES AND
COUNTERVAILING MEASURES, ANNEX I)***

ATTACHMENT II

[Excerpt of General Agreement on Tariffs and Trade 1994]

ANNEX I - ILLUSTRATIVE LIST OF EXPORT SUBSIDIES

- (a) The provision by governments of direct subsidies to a firm or an industry contingent upon export performance.
- (b) Currency retention schemes or any similar practices which involve a bonus on exports.
- (c) Internal transport and freight charges on export shipments, provided or mandated by governments, on terms more favourable than for domestic shipments.
- (d) The provision by governments or their agencies either directly or indirectly through government-mandated schemes, of imported or domestic products or services for use in the production of exported goods, on terms or conditions more favourable than for provision of like or directly competitive products or services for use in the production of goods for domestic consumption, if (in the case of products) such terms or conditions are more favourable than those commercially available⁵⁷ on world markets to their exporters.
- (e) The full or partial exemption remission, or deferral specifically related to exports, of direct taxes⁵⁸ or social welfare charges paid or payable by industrial or commercial enterprises⁵⁹.
- (f) The allowance of special deductions directly related to exports or export performance, over and above those granted in respect to production for domestic consumption, in the calculation of the base on which direct taxes are charged.
- (g) The exemption or remission, in respect of the production and distribution of exported products, of indirect taxes⁵⁸ in excess of those levied in respect of the production and distribution of like products when sold for domestic consumption.

⁵⁷The term "commercially available" means that the choice between domestic and imported products is unrestricted and depends only on commercial considerations.

⁵⁸For the purpose of this Agreement:

The term "direct taxes" shall mean taxes on wages, profits, interests, rents, royalties, and all other forms of income, and taxes on the ownership of real property;

The term "import charges" shall mean tariffs, duties, and other fiscal charges not elsewhere enumerated in this note that are levied on imports;

The term "indirect taxes" shall mean sales, excise, turnover, value added, franchise, stamp, transfer, inventory and equipment taxes, border taxes and all taxes other than direct taxes and import charges;

"Prior-stage" indirect taxes are those levied on goods or services used directly or indirectly in making the product;

"Cumulative" indirect taxes are multi-staged taxes levied where there is no mechanism for subsequent crediting of the tax if the goods or services subject to tax at one stage of production are used in a succeeding stage of production;

"Remission" of taxes includes the refund or rebate of taxes;

"Remission or drawback" includes the full or partial exemption or deferral of import charges.

⁵⁹The Members recognize that deferral need not amount to an export subsidy where, for example, appropriate interest charges are collected. The Members reaffirm the principle that prices for goods in transactions between exporting enterprises and foreign buyers under their or under the same control should for tax purposes be the prices which would be charged between independent enterprises acting at arm's length. Any Member may draw the attention of another Member to administrative or other practices which may contravene this principle and which result in a significant saving of direct taxes in export transactions. In such circumstances the Members shall normally attempt to resolve their differences using the facilities of existing bilateral tax treaties or other specific international mechanisms, without prejudice to the rights and obligations of Members under GATT 1994, including the right of consultation created in the preceding sentence. Paragraph (e) is not intended to limit a Member from taking measures to avoid the double taxation of foreign-source income earned by its enterprises or the enterprises of another Member.

ATTACHMENT II

- (h) The exemption, remission or deferral of prior-stage cumulative indirect taxes⁵⁸ on goods or services used in the production of exported products in excess of the exemption, remission or deferral of like prior-stage cumulative indirect taxes on goods or services used in the production of like products when sold for domestic consumption; provided, however, that prior-stage cumulative indirect taxes may be exempted, remitted or deferred on exported products even when not exempted, remitted or deferred on like products when sold for domestic consumption, if the prior-stage cumulative indirect taxes are levied on inputs that are consumed in the production of the exported product (making normal allowance for waste).⁶⁰ This item shall be interpreted in accordance with the guidelines on consumption of inputs in the production process contained in Annex II.
- (i) The remission or drawback of import charges⁵⁸ in excess of those levied on imported inputs that are consumed in the production of the exported product (making normal allowance for waste); provided, however, that in particular cases a firm may use a quantity of home market inputs equal to, and having the same quality and characteristics as, the imported inputs as a substitute for them in order to benefit from this provision if the import and the corresponding export operations both occur within a reasonable time period, not to exceed two years. This item shall be interpreted in accordance with the guidelines on consumption of inputs in the production process contained in Annex II and the guidelines in the determination of substitution drawback systems as export subsidies contained in Annex III.
- (j) The provision by governments (or special institutions controlled by governments) of export credit guarantee or insurance programmes, of insurance or guarantee programmes against increases in the cost of exported products or of exchange risk programmes, at premium rates which are inadequate to cover the long-term operating costs and losses of the programmes.
- (k) The grant by governments (or special institutions controlled by and/or acting under the authority of governments) of export credits at rates below those which they actually have to pay for the funds so employed (or would have to pay if they borrowed on international capital markets in order to obtain funds of the same maturity and other credit terms and denominated in the same currency as the export credit), or the payment by them of all or part of the costs incurred by exporters or financial institutions in obtaining credits, in so far as they are used to secure a material advantage in the field of export credit terms.

Provided, however, that if a Member is a party to an international undertaking on official export credits to which at least twelve original Members to this Agreement are parties as of 1 January 1979 (or a successor undertaking which has been adopted by those original Members), or if in practice a Member applies the interest rates provisions of the relevant undertaking, an export credit practice which is in conformity with those provisions shall not be considered an export subsidy prohibited by this Agreement.

- (l) Any other charge on the public account constituting an export subsidy in the sense of Article XVI of GATT 1994.

⁶⁰Paragraph (h) does not apply to value-added tax systems and border-tax adjustment in lieu thereof; the problem of the excessive remission of value-added taxes is exclusively covered by paragraph (g).