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Decision on Malaysian Circumvention due

By 26th July the European Commission will make public its decisions in relation to the investigation of alleged circumvention of anti-dumping tariffs on Chinese steel fasteners via Malaysia.

The Commission has issued its findings to the Malaysian companies that applied for exemption from tariffs, of which there are understood to have been nineteen. Of these, according to a number of reliable Asian sources, seven companies will be granted an exemption when the ruling is published in the Official Journal of the European Union.

It is also now clear that imports from all other Malaysian companies will be subject to the full anti-dumping tariff currently applied to steel fasteners from China, which is at 85%, and that duty will be applied retrospectively on imports since the beginning of the investigation on 28th October 2010.

Full information on the ruling will be published at www.fastenerandfixing.com as soon as it is published.

German businessman prosecuted for anti-dumping fraud

German customs authorities released information that a district court in Stuttgart Baden-Württemberg has sentenced a 62-year-old company director to a 21-month suspended prison sentence in relation to fraudulent evasion of anti-dumping duties worth 675,000 euros.

The evasion of customs duties took place between September 2000 and January 2003. An audit carried out in 2004 by Singen Customs Investigation Office discovered irregularities, as a result of which the case was referred to the Stuttgart Customs Office for full investigation.

The court is understood to have announced its sentence in February this year, but there was only a limited explanation for the long delay in proceedings, when a Customs spokesperson described it as a complex case, in which it had taken the prosecution more than three years to accumulate evidence. Finding the businessman guilty on ten counts the court imposed the suspended custodial sentence and also required the payment of costs. The businessman, who neither Customs nor Court authorities will name due to German privacy laws, has appealed the sentence.

The Customs' information reveals that the company had imported ten containers of stainless steel nuts from China and Taiwan, at that time subject to anti-dumping duties of 74.7% for China and between 10.2 and 23.1% from Taiwan companies, the true origin of which was concealed through fake certificates of origin, which purported that the nuts came from Vietnam. The district court concluded that there had been sufficient evidence of the true origin of the nuts and that the defendant, given his long experience in the fastener industry, would have known to be suspicious. The Customs authorities says in its release that the director choosing to excessively pursue profit, put aside any concerns and used the advantage of non-payment of anti-dumping duties to sell the nuts advantageously into the German market.

The European Fastener Distributors' Association told Fastener + Fixing Magazine: "Although the offence happened ten years ago it still serves to show that circumvention is not worth the risk involved. The EFDA as always stands for free and fair trade."

A member of the council of the European Industrial Fastener Institute commented: "At EIFI we believe it is very important news that the Stuttgart court should reach this decision in relation to a proven case of fraudulent customs declarations. It is particularly important for both manufacturers and distributors that we all play within the same rules, avoiding fraud."