

Tim Brightbill Comments on Effort by Chinese Solar Panel Companies to Prevent Disclosure of Financial Statements

Pittsburgh Tribune-Review

December 12, 2011

Tim Brightbill, a partner in Wiley Rein's International Trade Practice, was quoted by the *Pittsburgh Tribune-Review* in a story on the murky auditing rules preventing investors from viewing the financial books of Chinese companies.

In October, Wiley Rein LLP filed antidumping and countervailing duties cases on behalf of the U.S. solar industry against Chinese manufacturers of solar cells and panels. The article reports that China's major solar panel companies were bankrolled in the United States by large investment banks. The article goes on to report that documents show "Chinese companies were folded into holding company shells in the Cayman Islands. That allowed them to take the next step, which was selling specialty securities called American Depository Shares on the exchanges." To complicate the matter, China's auditing rules make it difficult for investors to determine whether a company's books are legitimate.

As a result, Mr. Brightbill said that the barrier protecting Chinese companies' documentation is at the heart of a trade complaint filed by several U.S. solar companies with the Commerce Department and the International Trade Commission

Should the U.S. companies show that the financial reports cannot be trusted, "it could greatly undermine" claims by Chinese companies that they abide by trade laws, Mr. Brightbill said.

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