

International trade in goods and services in Turkey: overview

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Country Q&A | [Law stated as at 01-Jan-2018](#) | Turkey

A Q&A guide to international trade in goods and services in Turkey.

This Q&A covers key matters relating to the regulation of international trade in Turkey, including recent trends, trade agreements, trade negotiations, rules relating to the supply of services, imports and exports requirements, trade remedies, and international trade restrictions.

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For more information on sale and storage of goods in Turkey, visit [Sale and storage of goods in Turkey: overview](#).

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Recent trends

1. What are the recent trends affecting the regulation of international trade in your jurisdiction?

In late 2014 and early 2015, Turkey began to take a positive approach to the rights granted by the World Trade Organization (WTO) agreements regarding trade remedies.

An anti-dumping investigation into imports of partially oriented yarn polyester products originating from China, India, Malaysia, Indonesia, Taiwan, Thailand and Vietnam was concluded in August 2017. This investigation led to the imposition of provisional measures on the concerned goods.

Communiqué No 2017/7, issued by the Ministry of Economy of Turkey (Ministry) on 1 July 2017, imposes quota-based restrictions on imports of frameless glass mirrors originating in Iran, and states that the new quota restrictions will enter into force for three more years starting from 3 July 2017.

On the same day, Communiqué No 2017/8 concerning certain products made from propylene polymer and containing the same safeguard measure was published. The Ministry also launched an Informative Report on Interim Damage Investigation relating to Communiqué No 2017/8, in which it established that despite the safeguard

measures, China remained the first exporter to the Turkish market with a considerable market share. The countries concerned saw a fall in their export numbers. As a consequence, their market share decreased. The Ministry also notices that the domestic industry's market share did not vary despite the decline of the products' imports due to a drop in domestic industry's sales, so that it could be assumed that the domestic industry underwent cut in prices and price pressure. According to the Ministry, the implementation of safeguard measures did not help the domestic industry stem the negative slope in a variety of parameters such as production, domestic sales or profitability. Moreover, the measures put into force have proved to be insufficient to suppress damage to the domestic industry due to dumping imports.

Communiqué No 2017/15, which was published on 5 July 2017 by the Ministry, provides that several domestic producers requested the permanent measure taken against Chinese and Vietnamese granite producers on 17 February 2016 to be extended. Considering that sufficient evidence had been provided on the material injury that would prevail if the measure did not remain in force, the Ministry decided to extend the measure to the imports of the concerned products originating only in China.

According to Communiqué No 2017/16, published on 5 July 2017, the extension of the permanent measure taken on 28 October 2016 against certain plywood types originating in China, Bulgaria and Vietnam has been requested by the Turkish Plywood Producers Association on behalf of the domestic industry. The Ministry, having accepted that sufficient evidence had been provided, decided that an investigation relating to these products originating only in China should be initiated.

In its Communiqué No 2017/17 announced on 12 July 2017, the Ministry decided to extend the application of the safeguard measures taken on 16 October 2014 against China, India and Malaysia as to fully drawn yarn, but with a modified range of additional customs duty for China.

On 12 July 2017, the Ministry completed an anti-dumping investigation launched on 6 February 2016 against China and South Korea for imports of concrete pumps and concrete pumping trucks. The Ministry issued Communiqué No 2017/18, ruling that these imports did cause a material injury to the relevant domestic industry. Under this Communiqué, imports of these products from South Korea will be subject to an additional customs duty rate comprised between 5.1% and 11.63% of cost, insurance and freight (CIF). Imports from China will be taxed additionally within a range of 5.10% to 12.27% of CIF. In its report relating to the investigation initiated on 6 February 2016, the Ministry considers that imports of the concerned products from South Korea rose during the investigation period (from 6 February 2016 to 12 July 2017), while imports of Chinese products increased in 2014 but fell in 2015. The report also suggests that the "lesser duty rule" should be implemented due to the fact that the changing nature of the concerned products resulted in importers gradually being considered as "local producers".

On 11 July 2017, the Ministry published Communiqué No 2017/19 related to measures applicable against the import of certain products. The following products will be subject to safeguard measures until 15 March 2018:

- Endless transmission belts of trapezoidal cross-section originating in China, India and Vietnam.
- Welded stainless steel tubes, pipes and profiles originating in Taiwan and China.
- Refractory bricks of chromite, magnesite or chrome magnesite originating in China.

Measures taken against woven fabrics of synthetic and artificial staple fibres originating in China will be terminated on 5 May 2018.

Additionally, in August 2017, Turkey extended the duty imposed on polyester staple fibre products originating from Iran for three years.

Trade agreements

2. Is your jurisdiction a member of the World Trade Organization (WTO)? What are the main international, regional or bilateral trade agreements to which your country is a party?

Turkey is a member of the WTO. Turkey has signed and ratified several free trade agreements (FTAs), bilateral investment treaties (BITs) and trade and co-operation agreements, for example:

- Turkey has FTAs with Albania, Bosnia-Herzegovina, Chile, the European Free Trade Association, Egypt, Georgia, Israel, Jordan, Lebanon, Macedonia, Mauritius, Montenegro, Morocco, Palestine, South Korea, Serbia, Syria and Tunisia. The FTA between Turkey and Syria was suspended in 2011.
- Turkey has BITs with Afghanistan, Albania, Argentina, Australia, Austria, Azerbaijan, Bangladesh, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, China, Croatia, Cuba, Czech Republic, Denmark, Egypt, Estonia, Ethiopia, Finland, France, Georgia, Germany, Greece, Hungary, India, Indonesia, Iran, Israel, Italy, Japan, Jordan, Kazakhstan, Kyrgyzstan, Kuwait, Latvia, Lebanon, Libya, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Moldova, Mongolia, Morocco, The Netherlands, Oman, Pakistan, Philippines, Poland, Portugal, Qatar, Romania, the Russian Federation, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Syria, Tajikistan, Thailand, Tunisia, Turkmenistan, United Arab Emirates, Ukraine, the UK, the US, Uzbekistan and Yemen.
- Turkey has trade and co-operation agreements with Afghanistan, Argentina, Australia, Bangladesh, Brazil, China, Colombia, India, Indonesia, Israel, Kyrgyzstan, Lebanon, Malaysia, Mexico, Moldova, Mongolia, Oman, Pakistan, Philippines, Qatar, the Russian Federation, South Korea, Syria, Thailand, Ukraine, Uruguay and Yemen.

In addition, Turkey is also a member of the Organisation of Islamic Cooperation, the Economic Cooperation Organization, and the Organization of the Black Sea Economic Co-operation.

Trade negotiations

3. What are the authorities responsible for negotiating trade agreements? How long does it usually take to conclude a trade deal with your country?

The Ministry of Economy is generally in charge of negotiating, concluding and monitoring the implementation of trade agreements. Additionally, the Ministry of Finance is responsible for concluding and implementing agreements for the avoidance of double taxation.

The duration of trade negotiations varies greatly. For example, Turkey has been negotiating a free trade agreement (FTA) with the Russian Federation since 2014. It is estimated that the FTA negotiations will be concluded by the end of 2017. By contrast, the negotiations for an FTA with Kosovo started in 2014 and concluded in 2015.

4. Does your country apply interim rules during trade negotiations?

Turkey does not have an established practice as to the application of interim rules during trade negotiations. However, there are no legal restrictions that prevent Turkey from applying more favourable terms during trade negotiations. Interim rules may therefore be applied on a case-by-case basis. As a member of the World Trade Organization (WTO), Turkey otherwise applies WTO rules during trade negotiations.

Supply of services

5. Is your jurisdiction a party to international agreements on cross-border trade in services? Is your jurisdiction taking part in the negotiations of the Trade in Services Agreement (TiSA)?

Turkey signed and ratified the WTO General Agreement on Trade in Services 1994 in 1994.

Since 2015, Turkey and Russia have been negotiating a free trade agreement (FTA) covering the energy, agriculture and construction services sectors. It is estimated that the related agreement will be concluded in late 2017.

Certain FTAs contain services provisions, such as those signed with Albania, Bosnia and Herzegovina, Egypt, Israel, Jordan, Macedonia, Montenegro, Morocco, Palestine, Syria, and Tunisia. Additionally, some bilateral investment treaties contain services provisions, such as those signed with Bangladesh, Bulgaria, China, Greece, Italy, Lebanon, The Netherlands, Oman, the Russian Federation, Singapore, Tunisia and the US.

Turkey is also actively engaged in the negotiation of the TiSA.

6. What domestic legislation and international rules apply to the supply of financial services, legal services and retail sales in your jurisdiction? What are the main requirements that suppliers must comply with?

Financial services

The financial services sector in Turkey is broadly made of the banking, securities and insurance sectors. Turkey's specific commitments to the World Trade Organization relating to financial services under the General Agreements in Trade and Services 1994 can be found under the Turkey's Schedule of Specific Commitments (GATS/SC/88/Suppl.3).

As the financial services sector is a regulated sector, companies operating in financial sectors must comply with the conditions set out in the relevant legislation.

The following authorities regulate the financial services sector:

- The Central Bank of Turkey.
- The Undersecretariat of Treasury.
- The Capital Markets Board.
- The Banking Regulation and Supervision Agency (BRSA).
- The Savings Deposit Insurance Fund.
- The Banks Association of Turkey.
- The Istanbul Stock Exchange.

Banking. The banking sector in Turkey is strictly regulated. Legislation related with the banking sector in Turkey includes the:

- Banking Law (numbered 5411).
- Bank Cards and Credit Cards Law (numbered 5464).
- Financial Leasing, Factoring and Financial Companies Law (numbered 6361).
- Law on Payment and Security Settlement Systems, Payment Services and Electronic Money Institutions (numbered 6493).
- Relevant secondary legislation such as regulations, communiqués and guidelines that are issued by the relevant authorities.

The main requirements that suppliers of banking services must comply include procedures to obtain a banking licence. These procedures are heavily regulated by the Banking Law and its related regulations. The following licences must be obtained from the BRSA:

- An establishment permission, to establish a bank or a foreign bank's branch in Turkey.
- An operation licence, to carry out banking, financial leasing and/or factoring activities in Turkey.

In Turkey, a bank must be established as a joint stock company with a minimum share capital of TRY30 million. Additionally, establishing of a bank and opening the first branch of a foreign bank require authorisation from the BRSA. Therefore, there are no nationality of residency requirements. However, there are some requirements relating to the founders (for example, not to have been declared bankrupt and not to have been sentenced for a felony). The shares in the bank must be issued against cash and to name.

Once properly licensed, banks can carry out the following activities, depending on the type of bank:

- Accepting deposits.
- Accepting participation funds.
- Granting loans, in cash or non-cash.
- Carrying out payment and collection transactions, including cash and deposit payments and fund transfer transactions, corresponding bank transactions, or using cheque accounts.
- Purchasing transactions of commercial bills.
- Safekeeping services.
- Issuing payment instruments, such as credit cards, bank cards and travel cheques, and carrying out related activities.
- Carrying out foreign exchange transactions, trading money market instruments, trading precious metals and stones, and safekeeping these.
- Trading and intermediation of forward, future and option contracts, simple or complex financial instruments involving multiple derivative instruments based on economic and financial indicators, capital market instruments, goods, precious metals and foreign exchange.
- Purchase and sale of capital market instruments and repurchasing or re-sale commitments.
- Issuance or public offering of capital market instruments.
- Transactions for trading previously issued capital market instruments for intermediation purposes.
- Guarantee transactions, such as undertaking guarantees and other liabilities in favour of other persons.
- Investment counselling services.
- Portfolio operations and management.
- Primary market dealing for purchase-sale transactions, within the framework of liabilities assumed under contracts signed with the Treasury and/or Central Bank and associations of institutions.
- Factoring and forfeiting transactions.
- Intermediating fund purchase-sale transactions in the inter-bank market.
- Financial leasing services.
- Insurance agency and individual private pension fund services.
- Other activities to be determined by the BRSA.

However, regulated activities differ depending on the bank. For example:

- Deposit banks cannot engage in activities such as accepting participation funds or financial leasing services.
- Participation banks cannot engage in accepting deposits.
- Investment banks cannot accept deposits or accept participation funds.

In addition, a bank can be subject to other licensing requirements under capital markets legislation, depending on its activities.

Establishing a representative office of a foreign bank also requires a licence from the BRSA. The operations of representative offices are restricted under the Licence Regulation and the BRSA Communiqué on the Principles and Procedures for the Activities of Representative Offices in Turkey. Representative offices can carry out the following activities:

- Provide publicity for the affiliated bank and its services.
- Improve relations with credit institutions or financial institutions established in Turkey.
- Conduct market research and report on collected data to the head office.

However, representative offices cannot:

- Accept deposits or participation funds.
- Provide loan facilities.
- Conduct any activities that can be carried out by banks (as defined in the Banking Law), or intervene in such actions.
- Have any income-bearing activities.
- Have any expense-bearing activities, other than compulsory expenditures and donations.

In Turkey, banks must:

- Apply the uniform accounting system set out in the principles and procedures determined by the Banking Regulation and Supervision Board in accordance with the opinion of the Public Oversight, Accounting and Auditing Standards Authority and institution associations.
- Account for all their transactions in line with their real characteristics, in accordance with the accounting and financial reporting standards published by the Public Oversight, Accounting and Auditing Standards Authority.
- Prepare their financial statements in a form and content that meet the demand of knowledge acquisition, in an understandable, trustable and comparable manner, in time and correctly, and in a manner suitable for auditing, analysing and interpretation.

Additionally, banks must not settle their balance sheets without ensuring that they correspond to the legal and auxiliary books and records of their domestic and foreign branches.

Securities. The securities sector in Turkey is mainly regulated by the Capital Markets Board and governed by the Capital Markets Law (numbered 6362). Additionally, communiqués issued by the Capital Markets Board constitute an important source of regulation of the sector.

Capital market institutions must be incorporated as joint stock companies, all of their shares must be registered and issued for cash. Capital market institutions must obtain a permission from the Capital Markets Board to operate.

Capital market institutions that can operate in Turkey are as follows:

- Investment firms.
- Collective investment schemes.
- Independent audit firms, appraisal firms and credit rating agencies that are to perform activities in the capital market.
- Portfolio management companies.
- Mortgage finance institutions.
- Housing finance and asset finance funds.
- Asset leasing companies.
- Central clearing institutions.
- Central depository institutions.
- Trade repositories.
- Other capital market institution, the establishment and activity principles of which are determined by the Board's common provisions.

Capital markets institutions must prepare and publish financial statements and reports, and comply with corporate governance principles. Under the Capital Markets Law, a capital market institution must prepare and submit financial statements and reports to be disclosed to the public, or as requested by the Capital Markets Board when necessary. These statements and reports must comply with the regulations established by the Capital Markets Board in the framework of the Turkish Accounting Standards in terms of format and content in a timely, complete and accurate manner.

Capital market activities covered by the Capital Markets Law are as follows:

- Financial intermediation for the public offering or issuing of capital market instruments that are to be registered with the Capital Markets Board.
- Intermediation of previously issued capital market instruments.
- Financial intermediation for trading in futures contracts based on economic and financial indicators, capital market instruments, commodities, foreign currency and precious metals.
- Repo and reverse repo agreements.
- Portfolio management and investment consulting.
- Margin trading and securities lending, and short-selling of securities.
- Capital market activities of other capital markets institutions.

Intermediary institutions must obtain a licence from the Capital Markets Board to be able to deal in securities transactions. The Capital Markets Board determines the minimum conditions for authorisation and examines each licence application based on these requirements.

Insurance. The insurance and reinsurance sector in Turkey is regulated by the Insurance Association of Turkey and the Undersecretariat of Treasury. The main laws are the:

- Insurance Law (numbered 5684).
- Turkish Commercial Code (Sixth Book: Insurance Law) (numbered 6102).
- Private Pension Savings and Investment System Law (numbered 4632).
- Catastrophe Insurance Law (numbered 6305).

Companies intending to operate as insurance or reinsurance companies must obtain the prior approval of the Ministry of Customs and Trade for their incorporation, and be incorporated as joint stock companies or cooperatives. Foreign insurance and reinsurance companies can also operate in Turkey by establishing branches. No prior approval is required for the incorporation of branches of foreign insurance or reinsurance companies. Insurance and reinsurance companies can only engage in insurance and reinsurance activities. In addition, founders of these companies are subject to certain requirements (such as not being bankrupt or not having been convicted for a felony).

The incorporation procedure is completed through registration of the company in the relevant trade registry. The documents required for registration are defined in the relevant legislation.

An application must be made to the Treasury to obtain an operation licence within one year from the incorporation of the company in the relevant trade registry, failing which the company will not be allowed to use the terms "insurance" or "reinsurance" in its commercial title. Insurance companies can only operate in one of either the life or non-life insurance groups, and must obtain relevant licences for each separate branch in which they would like to operate.

On obtaining an operation licence, a company/branch must become a member of the Insurance Association, a professional organisation that has the status of a public legal entity. Membership is subject to payment of an entrance fee of TRY110,000 (for 2017) and subsequent yearly contributions calculated on the basis of each relevant insurance company's premium production.

The main ongoing requirements for insurance and reinsurance companies are as follows:

- **Corporate requirements.** Changes in the governance of companies (such as appointments/dismissals of board members, managers or auditors) and in their shareholding structure (such as share transfers/pledges, mergers, issuances of bonds, notes or capital market instruments) are subject to notification to, and/or approval by, the Treasury.
- **Financial requirements.** Insurance and reinsurance companies must maintain at all times a capital adequacy ratio meeting the requirements of the Treasury (and strengthening of their financial situation may be requested in this respect), as well as appropriate reserves to cover liabilities arising from their insurance contracts.
- **Reporting requirements.** Insurance and reinsurance companies must submit to the Treasury:
 - reinsurance reports on the conclusion of any new treaty;
 - quarterly reports on outsourced support services;
 - quarterly and yearly reports on their financial statements;
 - yearly activity reports and independent audit reports.

The electronic submission of audit reports and reinsurance reports to the Treasury was expected to be enabled by the end of 2017.

- **Operational requirements.** Insurance and reinsurance companies must maintain at all times internal systems (control, audit and risk management) and IT systems that are appropriate for their level of activity.

Legal services

Regulatory framework. The main law governing the provision of legal services is the Attorneyship Law No.1136 of 19 March 1969.

Main requirements. To become a licensed lawyer in Turkey, an individual must:

- Be a Turkish citizen.
- Be a graduate from a law faculty in Turkey or pass the related exams required by the Turkish Law Faculties (for foreign graduates).
- Obtain a certificate following completion of a one-year traineeship with a Turkish Bar.
- Have a legal domicile in the jurisdictional area of the bar association in the directory of which registration is sought.
- Not be in an unfit state for attorneyship under the current law (this includes provisions relating to criminal and disciplinary records, financial standing, mental and physical impairment, reputation, and incompatibility with other professions and activities).
- Take an oath.

An attorneyship licence need not be renewed.

An attorney cannot have more than one office. Attorneys working together cannot have separate offices. An attorney partnership cannot open a branch in Turkey. However, an attorney who is entered in the directory of a bar association is authorised to practise attorneyship in any part of Turkey, provided that such practice is not permanent (*Article 66, Attorneyship Law*). Limited liability and joint stock companies cannot operate in the legal sector under the current legal framework. However, proposed amendments set out that joint stock and limited liability companies will be allowed to offer legal services.

The following activities are reserved to Turkish attorneys enrolled with bar associations (*Article 35, Attorneyship Law*):

- Providing opinions in legal matters.
- Litigating and defending the rights of real persons and legal entities before the courts, arbitrators, and other bodies invested with jurisdictional powers.
- Managing all documentation associated with such litigation.

The title of "*Avukat*" (attorney) is also protected.

Lawyers must also comply with the Professional Rules of the Union of Bar Associations of Turkey and the Prohibition of Publicity Regulations. Lawyers must join the collective insurance scheme.

Licences for both individuals and firms are issued by the relevant local bar association. The Union of Turkish Bars provides an appeal process where licences are refused. A link to all the Turkish local bar associations is available on the website of the Union of Turkish Bars (<http://eski.barobirlik.org.tr/eng/content.aspx?page=17>).

Foreign lawyers can join foreign attorney partnerships and provide services related to foreign and international law. Foreign attorney partnerships and their partners must comply with the Attorneyship Law, the Turkish Bar regulations and professional rules. The Foreign Attorney Partnership regulations also require reciprocal arrangements in the foreign attorney's home country.

There is no special licence granted to foreign lawyers other than the licence granted to the foreign attorney partnership. Each foreign partner in a law firm must receive approval from the relevant local bar by submitting a licence or certificate of authorisation from his or her home certifying body confirming that he/she is enrolled as a lawyer in the foreign country, and that there are no impediments to the practice of his/her profession. Additionally, reciprocity must be observed between Turkey and the home country of the foreign lawyer.

Foreign lawyers can undertake both international arbitration and mediation.

Retail sales

There are no specific regulations relating to the retail sales sector.

However, retailers must comply with certain sanitary, public health-related and environmental regulations issued by the relevant ministries.

7. Are there restrictions on market access for specific services sectors?

Certain services sectors are natural monopolies, including:

- Railroads.
- Postal services.
- Satellites.
- Production and distribution of electricity.
- Lottery.
- Highway services.

Imports

Customs authority

8. What is the authority responsible for enforcing customs laws and regulations?

Customs legislation is enforced by both central and provincial organisations of the Ministry of Customs and Trade. In provincial organisations, the authority is carried out by customs offices.

According to the Ministry of Customs and Trade, any goods subject to high taxation or additional financial liability must undergo special examination procedures, including full inspection, laboratory analysis, appraisal report, and so on.

The main laws covering customs authorisation, investigations and legal proceedings are the:

- Anti-Trafficking Law.
- Customs Law.
- Turkish Criminal Law.

Administrative fines can be issued by customs offices in the case of attempt to evade tax (*Articles 234 and 238, Customs Law*) or other irregularities (*Articles 239 and 241, Customs Law*).

Import duties, tariffs and rates

9. What are the main customs import tariffs and duties?

General tariffs and rates

The main import customs taxes are determined yearly by the Ministry of Economy along with any new import regimes. Customs taxes are determined using the harmonised system code of the goods and consist of countervailing duty, excise duty and value added tax (VAT).

The rates of general customs taxes are as follows:

- VAT applies at 1%, 8% or 18% depending on the product.
- Industrial commodities are taxed at 18% (certain agricultural products are taxed at rates of between 1% and 8%).
- The average rate of customs duty is about 5%.

- Agricultural products have the highest duty rate of 225%. However, following recent amendments, the duty rate relating to livestock, red meat and grains was reduced to 40%.

The following are examples of customs duties:

- Customs tax.
- Additional customs tax (the scope of the additional customs tax was recently extended to include household appliances, cranes, tractors, diesel engines, pumps, generators, motorbikes, and bikes).
- Single and fixed tax.
- Anti-dumping tax.
- Anti-subsidy tax.
- VAT.
- Private consumption tax (the rates of private consumption tax rates were recently increased for motor vehicles and e-bikes).
- Housing development fund.
- Tobacco fund.
- Resource utilisation support fund (this tax has been lifted for over 10,000 industrial products, most of which are raw materials).
- Environmental contribution margin.
- Countervailing duty.
- Banderol fee.

Preferential tariffs

Preferential tariffs apply under the following instruments and rules:

- Decision No 1/2006 of the EC-Turkey Association Council of 15 May 2006 on the implementation of Article 9 of Decision No 1/95 of the EC-Turkey Association Council on implementing the final phase of the Customs Union. This ensures the free movement of goods between Turkey and EU countries.
- The system of pan-Euro-Med cumulation of origin, which operates between the EU and the states of the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) and Turkey, among others.
- Cumulation of origin with the western Balkans, including Macedonia, Montenegro, Serbia, Albania and Bosnia and Herzegovina.
- Bilateral free trade agreement (FTA) with Malaysia.
- Bilateral FTA with South Korea.

FTAs with Singapore and the Faroe Islands have been negotiated and will be in force in the near future.

Non-tariff barriers to imports

10. Are there non-tariff barriers to imports into your jurisdiction?

Generally, a certificate of origin is not required for importing goods into Turkey. However, where a product or packaging includes a sign of a country that is different from the actual country of origin, the customs authority will not allow such product to enter Turkey freely. When imported goods (especially textile and apparel products) are subject to safeguard measures or additional customs duties, the customs authority will request a certificate of origin together with other documents.

Turkey has very strict conservation measures to protect the development of the domestic industry.

The manufacturing of products in Turkey has increased markedly and some additional taxes have recently been imposed.

Lately, it has been required in government tenders that 50% of products used must be local, complete with their certificates of origin.

Relevant regulations are as follows:

- Law on Prevention of Unfair Competition in Importation (Law No. 3577).
- Decision on Protection Measures on Importation.
- Decision on Management of Quota and Tariff Contingent on Importation.
- Decision on Implementation of Observance on Importation.
- Decision on Observance and Protection Measures on Importation of Specific Textile Products.
- Decision on Observance and Protection Measures on Importation of Textile Products on Specific Country Origin except Reciprocal Agreements, Protocols and Other Regulations.
- Decision on Protection of Turkey's Trade Rights.
- Decision on Protection Measures on Importation of Republic of China Origin Products.

11. Can customs decisions and import restrictions be challenged?

Customs decisions can be challenged in court (*Article 242, Customs Law*).

Trade remedies

Regulatory framework

12. What are the main regulations on trade remedies? What are the authorities responsible for investigating and deciding on trade remedies?

Regulatory framework

The Ministry of Economy implements the following:

- Agreements of the World Trade Organization (WTO).
- Domestic regulations referred to in Article 4 of the Import Regime Decree.
- Anti-dumping measures.
- Subsidies.
- Protection and surveillance measures, which are defined as non-tariff barriers to avoid (serious) damages caused by the import of similar or directly competitive goods to domestic producers.

Non-tariff common commercial policy measures that are implemented by the Ministry of Economy include the following:

- Import Regulations on Prevention of Unfair Competition.
- Law on Protection Measures for Import.
- Import Quota and Tariff Quotas Regulations.
- Regulations on the Implementation of Supervision of Imports.
- Legislation on Surveillance and Safeguard Measures on Certain Textile Products Imports.
- Bilateral agreements.
- Protocols.
- Other arrangements related to the Regulations on Textile Products originating from certain countries and concerning Oversight and Safeguards.
- Turkey's legislation on the protection of commercial rights.
- Import measures regarding the People's Republic of China.

The Ministry of Customs and Trade has issued some guidance on fighting corruption, including the:

- Law numbered 5176 and dated 25 May 2004 Establishing Council of Ethics for Public Service and Amending Some Laws.
- Regulation on the Principles of Ethical Behaviour of Public Officials and Application Procedures and Essentials (published in the Official Gazette on 13 April 2005 and numbered 25785).
- Circular letter about the professional ethics principles of customs staff.

Regulatory authority

In some cases, the Ministry of Economy will impose trade remedies directly. Customs offices have the authority to implement and track these remedies. If there is any damage caused by dumped imports, an investigation is conducted by the Director General of Imports to calculate it. An investigation can be initiated against dumped imports following complaints from domestic manufacturers. If it is found that damage has been caused, measures can be imposed against the import of certain products.

Investigations and enforcement

13. What are the requirements and procedure to start trade remedies investigations?

If a complaint is made by domestic producers under the Law on Prevention of Unfair Competition in Importation (Law No. 3577), it is possible to initiate the following measures:

- Safeguard measures.
- Anti-dumping measures.
- Expiry review.
- Anti-circumvention measures.

The Ministry of Economy provides the following questionnaire forms for complaint applications (in Turkish, as all correspondence must be in Turkish):

- Dumping and subsidy investigations complaint guide and form (www.ekonomi.gov.tr/portal/content/conn/UCM/uuid/dDocName:EK-126265).
- Expiry review investigation complaint form (www.ekonomi.gov.tr/portal/content/conn/UCM/uuid/dDocName:EK-126264).

Certain procedural requirements apply to the Director General of Imports during anti-dumping investigations. Accordingly, the Director General of Imports must endeavour to ensure transparency while protecting the relevant parties' confidential information and granting them the right to defend themselves.

During an investigation, the relevant parties are expected to submit any requested data to the Director General of Imports, submit a non-confidential summary of confidential information, and allow the Director to conduct on-site research.

The relevant parties are entitled to:

- At least 30 days to respond to the Director's questionnaires.
- Request an extension of up to 30 days to respond to the Director's questionnaires.
- Receive the application's full text.
- Notify the Director of their opinions.
- Protect their confidential information.
- Receive non-confidential information provided to the Director by other relevant parties.
- Provide oral information to the Director.
- A hearing with other parties with adverse interests.
- Be informed of the findings that support the Director's final decision.
- Request an extension of provisional measures.
- Accept or reject price undertakings offered by the Director.
- Offer price undertakings to the Director.
- Be informed of the Director's reason for refusing price undertakings.

The relevant parties must co-operate and respond to the Director's questionnaires. Failure to do so can result in less favourable investigation outcomes for exporters. Lack of co-operation will essentially mean that the Director will base its investigation determinations exclusively on data provided by Turkish manufacturers or collected ex-officio. Accordingly, unco-operative foreign exporters may have to pay anti-dumping duties at higher rates than if they had co-operated and shared information (see: <http://www.mondaq.com/turkey/x/421762/international+trade+investment/Overview+Of+AntiDumping+Actions+In+Turkey+And+Recommendations+For+Foreign+Exporters>).

Appeals

14. Is there a right of appeal against the authority's decision? What is the applicable procedure?

An appeal against the Ministry of Economy's decision can be lodged through either:

- Submitting an administrative objection letter directly to the Ministry of Economy (within 60 days after publication of the measure).
- Filing an administrative suit in court (within 60 days after publication of the measure).

If a letter is submitted directly to the Ministry, it will suspend any period for appeal to the court. Filing a suit in court is a long process, taking a year or more and all findings will be assessed by the judge(s).

Exports

Regulatory framework

15. What are the main requirements to export goods from your jurisdiction?

Export transactions require a receipt for the goods and an exporting country certificate of origin.

Exporters must be members of an export association and pay an annual membership fee.

Relevant regulations and decisions include:

- Export Regime Decision (22 December 1995 No. 95/7623).
- Export Regulation (published in the Official Gazette dated 6 June 2006 No. 26190).

16. Are certain categories of goods subject to specific export quotas, restraints or other controls?

Specific export rules and controls include:

- Payment to the support and price stabilisation fund export for substances subject to premium cuts (for example, hazelnuts in shell are subject to export payments of 0.04US\$ per kilogramme (kg) and shell-free hazelnuts are subject to export payments of 0.08US\$ per kg).
- Special accounts for export of assets acquired under loan facilities.
- Exportation under the Natural Gas Agreement between Turkey and Russia.
- Exports to countries that apply quantity restrictions to Turkey's exported goods.
- Exports to countries that are subject to economic restrictions under a decision of the United Nations.
- Under the Regulations Regarding Organic Agriculture Essentials and Implementation (published in Official Journal No. 25841 on 10 June 2005), the following goods are subject to certification:
 - raw olive oil and processed cast or barrel olive oil;
 - liquorice root;

- raw sepiolite and tracing pipes;
- goods under the Vienna Convention for the Protection of the Ozone Layer 1985 and its Protocols (in relation to signatory countries only);
- raw olives in bags, sacks and boxed;
- original intestines;
- living sheep, goats, cattle and horses;
- conical pepper;
- raw olives (unfermented);
- scrap and eruption of copper and zinc;
- dolomite, coloured and veined marble, onyx, travertine;
- cement;
- pickles;
- pine kernels (except interior pine kernels); and
- adulterated wheat, black wheat, mixed wheat and rye.

Penalties

17. What are the consequences of non-compliance with export regulations?

Under anti-smuggling laws, any person that takes prohibited goods outside the country can be subject to at least one 'year and up to three 'years of imprisonment, or up to 5,000 days of judicial fine.

The penalties for non-compliance with export regulations are as follows:

- When export is prohibited under general regulatory administrative acts: a fine equivalent to twice the product's customs value plus duties.
- When a good is exported without the necessary compliance certificate or conditions: a judicial fine equivalent to the product's customs value plus duties.

International trade restrictions

Trade sanctions

18. Are there specific restrictions on trade with certain jurisdictions?

There was a Free Trade Agreement about pan-European cumulation of origin between Turkey and Syria. However, this agreement has been suspended after a decision of the Council of Ministers.

Turkey applies sanctions on trade with certain jurisdictions (for example, Iran and North Korea). The restrictions enter into force following a decision of the Council of Ministers.

19. What is the authority responsible for imposing trade restrictions?

The Ministry of Economy is responsible for imposing trade restrictions. Customs offices are authorised to apply the Ministry's decisions.

20. What are the consequences of non-compliance with trade restrictions?

Non-compliance with trade restrictions can result in imprisonment, criminal fines or administrative fines (*Article 3, Anti-Trafficking Law; Articles 234 and 235, Customs Law*).

21. Are businesses subject to specific compliance requirements? What practical steps should a business take to ensure compliance with trade restrictions?

There are no specific compliance requirements for businesses. It is common for the relevant ministries and offices as well as non-governmental organisations to schedule occasional training/compliance programmes.

Foreign trade barriers

22. What is the procedure for local exporters to complain against foreign trade barriers contrary to the WTO or other trade agreements?

Interested parties can complain to the Directorate General of Exports of the Ministry of Economy about foreign trade barriers. There is no specific procedure.

Developments and reform

23. Are there impending developments or proposals for reform affecting international trade in goods and services?

There are currently no impending developments or proposals for reform of national legislation affecting international trade in goods and services.

The regulatory authority

Ministry of Economy

W www.ekonomi.gov.tr/portal/faces/home

Principal responsibilities. The main responsibilities of the Ministry of Economy are as follows:

- Determining the main objectives and policies relating to international trade, and enforcing trade policies.
- Taking measures to develop foreign trade, export-oriented trade and economic activities abroad, and implementing such measures.
- Ensuring implementation and co-ordination between related public and private agencies and organisations.

Online resources

Turkish legislation

W www.mevzuat.gov.tr

Description. This is the official and up-to-date website for Turkish legislation. The website is maintained by the General Directorate of Legislative Development and Publication.

Contributor profiles

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Non-professional qualifications. Master degrees in EU law and economics, Brussels University (ULB); PhD in EU competition law, Marmara University EU Institute

Recent transactions

- Represented Essilor Group in relation to the merger control filing of Essilor's merger with Luxottica Group.
- Represented Cristal Group in relation to the merger control filing of Tronox's acquisition of Cristal Group.
- Represented FMC Group in relation to the merger control filing of Du Pont's acquisition of FMC Group.

Languages. Turkish, English, French

Professional associations/memberships

- Non-governmental agent of the Turkish Competition Authority to the International Competition Network.
- Board Member at the Turkish Ethics & Reputation Society.
- Associate Member of the American Bar Association (ABA).
- Member of the Antitrust and M&A Committees and national reporter of the International Antitrust Committee.
- Lectures EU and Turkish competition law at the Marmara University EU Institute and lectures occasionally on "mergers and acquisitions", "international trade remedies" and "competition law aspects of EU and Turkish environmental law".

Publications

- *Trade & Customs: Turkey – Getting the Deal Through (2015, 2016 and 2018).*
- *Private Antitrust Litigation: Turkey – Getting the Deal Through (2015, 2016 and 2017).*
- *Competition Compliance: Turkey – Getting the Deal Through (2017).*
- *Transparency of the Regulatory Authorities: An Analysis of Transparency of Competition Investigations in Turkey, Freedom Research Association, 2016.*
- *Regulation, Deregulation and Competition Law in Liberal Professions (Rekabet Dergisi/ Competition Journal, 2013).*
- *Turkish Competition Law Enforcement: An Ounce of (Compliance) Prevention is Better than a Pound of (Enforcement) Cure, (American Bar Association/ International Antitrust Bulletin, 2011).*
- *Merger Control in Turkey: The "Catch-up All" Threshold Mechanism needs an Adjustment, (American Bar Association/ International Antitrust Bulletin, 2009).*
- *Competition Law Aspects of Mergers and Acquisitions in the EU and Turkish Law: Does Turkey Call for a Merger Reform? The Answer and a Policy Proposal, 2007, PhD Thesis.*

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- Istanbul Bar Association.

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Professional associations/memberships

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