Trade Regulations and Standards in Turkey

Import Tariffs

Import duties are calculated on the CIF value. Turkey is a signatory to Article VII of the General Agreements on Tariffs and Trade (GATT). The agreement stipulates that the customs valuation is the transaction value (the price that is actually paid or payable plus costs and expenses). Turkey is also obliged to comply with other Article VII provisions including the rapidity of clearance of goods, currency convertibility, and appeal privileges and rights. Turkish regulations do not allow for advance rulings on customs HS classification or on the applicable import duties on particular products.

Customs surcharges including a value-added tax (VAT) being levied on most imported, as well as domestic, goods and services. The importer is responsible for paying the VAT. The VAT is calculated on a C.I.F. basis plus duty rate and any other applicable charges levied before the goods clear customs. The VAT for most agricultural products (basic food) ranges from one to eight percent and can reach up to 18 percent for some processed products. Capital goods, some raw materials, imports by government agencies and state owned enterprises, and products for investments with incentive certificates are exempt from import fees.

Trade Barriers

On October 3, 2005, the European Commission began EU accession proceedings with the Republic of Turkey. The process of EU membership is expected to take between ten and fifteen years. Prior to beginning its move towards EU accession, on January 1, 1996, Turkey and the EU formed a customs union. The agreement covers industrial products and processed agricultural goods. The Republic of Turkey adopted the EU’s common external tariff (CCT), resulting in lower duties for imports from third countries, including the United States. The union establishes zero duty rates and no quotas for non-agricultural items of EU and European Free Trade Association (EFTA) origin. The current import regime is organized in five chapters that list more than 20,000 items, identified with 12 digit harmonized tariff system numbers.

The Government of Turkey (GOT) estimates that as a result of its accession to the European Customs Union, the average duty rate for imports from the European Union and EFTA countries has dropped from approximately ten percent to zero. For products imported from third countries, including the United States, the average duty rate has dropped from ten percent to approximately 4.1 percent. Turkey has reserved some exempted categories for sensitive products with tariffs on
these items generally much higher than the CCT. Some agricultural goods will remain protected by steep tariffs. When the European Union applies further Uruguay Round reductions, Turkey's average rates for third countries (including the U.S.) will be lowered to 3.5 percent.

Turkey is a member of GATT/WTO and regulates its customs in line with GATT requirements. While generally in compliance with the WTO agreement, Turkey often fails to notify the WTO of changes to import requirements. Applications of non-tariff barriers, such as implementing a reference price system and not issuing control certificates on occasion, continues from time to time and poses problems for imports of agricultural products. For instance, Turkey has not provided any control certificates for beef for years. The United States initiated a case against Turkey under the WTO in November 2005 regarding Turkey’s regulations concerning the importation of rice. The panel discussions of this dispute are underway. Turkey maintains high import duties on agricultural products, while consistent with WTO obligations it is not considered consistent with the spirit of the WTO agreement.

Import Requirements and Documentation

IMPORT LICENSES

The 1996 Turkish import regime abolished the requirement that every importer needs an import license and that the importer must obtain an import authorization from a bank. An importer only needs a tax number to import all but restricted items, e.g., firearms, hazardous materials, etc., which can be imported only by authorized establishments, or for which the approval of the Directorate General of Security is required. All agricultural imports require control certificates, which are issued by the Ministry of Agriculture and Rural Affairs’ General Directorate of Protection and Control.

IMPORT DOCUMENTATION

Turkish documentation procedures require a commercial invoice and a bill of lading or airway bill to accompany all commercial shipments. Depending on the type of the product importers may be required to submit a Certificate of Origin. Import licenses and phytosanitary certificates are necessary for food and agricultural commodity imports.

Commercial Invoice: The commercial invoice must be submitted in triplicate, including the original copy; and must contain a complete description of the goods and all required payment terms. The exporter must endorse the original as follows: "We hereby certify that this is the first and original copy of our invoice, the only one issued by our firm for the goods herein mentioned." It is advisable to have the Turkish Embassy or Consulate in the United States certify the document. At least one copy of the invoice should accompany the goods, and the original should be sent to the importer through the correspondent bank.
Certificate of Origin: The certificate of origin is to be prepared in duplicate. No corrections are permitted on this document, which is to be prepared in English by a local chamber of commerce. The Turkish Embassy or Consulate in the United States must certify the certificate of origin. One copy of the document must be surrendered to the customs authorities at the time of importation.

Bill of Lading/Airway Bill: Details in the bill of lading should correspond exactly to those given in other shipping documents. The original bill of lading should be submitted in triplicate along with 3 copies.

Proforma Invoices: The proforma invoice must not be more than six months old at the time of application. It must contain an unexpired option (if appropriate), indicate freight and insurance charges separately, and bear the importer's name.

Products falling under the European Union New Approach Directives must be accompanied by either a self-declaration of conformity or a notified body’s issued certificate of conformity to be allowed entry into the Turkish market. Please see the standards and CE mark section below.

Health Certification

Special health certificates are required for imports of plants, seeds, animals and animal products. Plants, including fruits and vegetables, must be substantially free from pests and diseases and must have been grown in an area substantially free from prohibited pests and diseases. Additional information may be obtained from the U.S. Department of Agriculture’s Animal and Plant Health Inspection Service (APHIS) at Tel: (301) 734-7885 or Fax: (301) 734-6402 (Veterinary Services) and Tel: (301) 734-8537 or Fax: (301) 734-5786 (Plant Protection and Quarantine). APHIS inspects and certifies that plants, plant products and live animals conform to health and sanitary requirements as mandated by the Turkish government. U.S. exporters are encouraged to obtain information from the importer prior to shipment because of the complexity of phytosanitary regulations.

Special Import Requirements

Alcohol can be imported by the private sector by obtaining license and permission from the Tobacco, Tobacco Products and Alcoholic Drinks Market Regulatory Authority (TAPDK), which is an independent regulatory body. Despite these changes, non-tariff barriers, arduous document requirements, and high duty rates continue to limit trade in alcoholic beverages. Cigarettes can only be imported by TEKEL and cigarette producers, which are permitted by the government under a special decree (such as Philip Morris, RJ Reynolds, British Tobacco, etc.). The Tobacco Law was enacted in 2001, however privatization of Tekel’s tobacco production has yet to be completed. Medical X-ray films can only be imported into Turkey by the Red Crescent Association that is a sister organization to the Red Cross.

The importation of precious metals (gold, silk, and platinum) can only be done by members of the Istanbul Gold Exchange. The Istanbul Gold Exchange consists of domestic or foreign banks,
precious metals companies, currency offices, precious metals producing and marketing companies and precious metals refineries are members of the exchange. In 2003, Turkey signed an agreement to become a participant of the Kimberley Process Diamond Certification Scheme, which is a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds. On 14 August 2007 Turkey officially became a member of the Kimberley Process Certification Scheme.

Importing products such as pharmaceuticals; organic chemicals, especially those used to produce medicines and medical products; vaccines for both humans and animals; cosmetic products; chemicals used in cleaning and the food industry; live animals and plants; grains and plant seeds; and hormones require control certificates from the Directorate General of Curative Care Service of the Ministry of Health and Agriculture. The following documents must be submitted to the relevant Ministry to obtain the control certificates: pro forma invoice, health certificate, certificate of analysis, formula or list of contents of the product, pedigree certificate, and radiation analysis report. All documents must be obtained from and/or approved by the relevant authorities in the country of origin. Documents must be submitted in the original language with a translation into Turkish. Control certificates must be presented to customs authorities upon import.

Products requiring after-sales service such as motor vehicles, household electrical goods, office equipment and computers, cash registers, TV and video equipment, heaters, gas-fired burners, industrial machinery, automobiles, and wireless equipment require an import permit from the Ministry of Industry and Trade. In order to obtain such a permit, importers must guarantee that they will provide service and spare-parts either by establishing offices or by signing agreements with existing service/parts firms. The penetration of maintenance facilities over the country depends on the type of the product. Particular product groups that are being frequently used require a wide spread network of maintenance facilities in each of Turkey’s seven geographic regions. In July 2001, the GOT codified a regulation, which requires additional maintenance facilities to be established for companies importing automobiles into the Turkish Republic.

Telecommunications equipment such as all wireless equipment, automatic data processing machines, electrical apparatus for line telephony or telegraphy, and telephone answering machines need type-approval of the Telecommunications Regulatory Authority.

Under a regulation published in the Turkish Official Gazette of December 31, 2007 (No. 26743-supplementary issue) importers are required to obtain a control certificate from the Ministry of Environment for materials considered detrimental to the environment. Such materials include hard coal, lignite, petrocoke, petroleum, arsenic, mercury, lead sulfides and carbonates, fluorocarbons, other chemicals and scrap metals.

**U.S. Export Controls**

The Bureau of Industry and Security is charged with the development, implementation and interpretation of U.S. export control policy for dual-use commodities, software, and technology. Dual-use items subject to BIS regulatory jurisdiction have predominantly commercial uses, but also have military applications. In order to accomplish this objective, BIS seeks to promulgate clear, concise, and timely regulations. This section of our Web site provides a link to the Bureau's regulations governing exports of dual-use items. It also provides discussions of certain key
regulatory policy areas, including policies governing exports of high performance computers, exports of encryption products, deemed exports, U.S. antiboycott regulations, special regional considerations, the multilateral export control regimes, and the technical advisory committees.

In addition to the U.S. export control policy for dual-use items, the Bureau of Industry and Security is also charged with the development, implementation and interpretation of the antiboycott provisions of the Export Administration Act. The antiboycott provisions encourage, and in some cases require, U.S. persons to refuse to participate in foreign boycotts that the United States does not sanction. U.S. persons are also required to report receipt of boycott-related requests.

Export Administration Regulations

The Government Printing Office’s Export Administration Regulation Web site contains an up-to-date database of the entire Export Administration Regulations (EAR), including the Commerce Control List, the Commerce Country Chart, and a link to the Denied Persons List. EAR revisions are incorporated into this site within 48-72 hours and the EAR can be viewed, downloaded, and searched. This Web site also includes a table with all the Federal Register notices that revise the text of the EAR since its complete revision on March 25, 1996. In addition, users can subscribe to GPO’s paper version of the EAR from this Web site. Lastly, users can e-mail the Regulatory Policy Division directly from this Web site, to get answers to general questions about the EAR. Users can also attach a properly formatted advisory opinion (See Section 748.3c for the proper format) and forward it to BIS by e-mail.

The NTIS EAR Marketplace Web site also offers an up-to-date searchable EAR database and files that are downloadable and viewable. In addition, the EAR Marketplace has a combined, downloadable and searchable version of the Denied Persons List, the Entity List, the Debarred List, and the Specially Designated Nationals List. Subscribers to the EAR on-line database are notified by email whenever a change occurs to any of these lists. The EAR Marketplace also includes a table with all the Federal Register notices that revise the text of the EAR since its complete revision on March 25, 1996. In addition, NTIS offers a loose leaf/paper version of the EAR, which can be ordered on-line.

Turkish Export Controls Information

The export of sensitive and dual-use materials covered by various international nonproliferation agreements and arrangements to which Turkey is a party, is controlled by a two-tier mechanism which involves licensing by the Ministry of National Defense (MND) and registration by the Undersecretariat for Foreign Trade (UFT) through the appropriate exporters’ union. Law No. 3763, of 1940, “The Control of Private Industrial Enterprises Producing War Weapons, Vehicles, Equipment and Ammunition,” requires a MND license for the export of all weapons and ammunition as well as the materials used for the production of weapons and ammunition. Sporting and hunting rifles are exempt from MND licensing. The second tier, UFT control via registration, was promulgated via Decree number 95/7623 in December 1995. As a part of the over all process, MND consults with UFT regarding proposed export sales.
All exporters are required to be a member of one of the 13 exporters’ unions in Turkey. Sensitive goods, technology and dual-use materials are registered by the Istanbul Metals and Minerals Exporters’ Union (IMMIB) thereby creating a centralized mechanism monitoring the export company, product, quantity, and value. It is IMMIB that determines whether the intended export items require MND licensing and provides the UFT registration. It is UFT’s role to draft the general export policies and to monitor and control the overall trade control process.

**Temporary Entry**

Goods may be temporarily imported into Turkey without payment of duties and tax if they are to be used in the production or manufacture of a product that is to be exported. The importer gives security in the form of a bank guarantee (temporary import bond) in the amount of applicable duties and taxes. Upon exportation of the finished product, the guarantee is remitted. Temporary admission of goods intended for re-export in their original form is permissible free of import duties and taxes with the approval of the Undersecretariat for Foreign Trade.

Turkey is a signatory to the International Convention to Facilitate the Importation of Commercial Samples and Advertising Material. Samples of no commercial value are admitted duty-free. Other samples are assessed duties and taxes at the time of import, but these are refunded if the samples are re-exported within six months from the date of import. A letter of guarantee will be provided to Turkish Customs for a temporary import, with the guarantee being returned at the time of re-export. Samples should be listed on an invoice. Books, newspapers, magazines, catalogs, pamphlets, brochures, and similar advertising materials are exempt from customs duty.

U.S. traders may also wish to consider a more simplified procedure in the form of an "ATA Carnet." Carnets are international customs documents permitting the holder to temporarily import products as samples without paying customs duties or posting bonds. Virtually all goods, personal and professional, including commercial samples, professional equipment, goods intended for use at trade shows and exhibitions, computers, tools, cameras and video equipment, industrial machinery, automobiles, apparel and even jewelry are covered under a carnet.

**Labeling and Marking Requirements**

All packages, cases, and bales must bear shipping marks, numbers, dimensions, and the gross weight of the merchandise. Packages along with accompanying bills of lading for goods to be shipped through Turkey must be marked "In Transit." All goods entering Istanbul or any other entry port in Turkey (Ankara, Iskenderun, Izmir, Antalya, Mersin, Sinop, Samsun, and Trabzon) will be cleared through customs, and full payment of duty will be required unless the packages and bills of lading are marked "In Transit." If so marked, the goods may be cleared for entry and reshipment.

**Prohibited and Restricted Imports**
Importation of certain product groups like narcotics is prohibited.

Standards

Overview


Equipment meeting the directive definition of products needing to conform to EU technical regulations must have evidence of meeting the requirements either through verified laboratory testing conducted by an EU approved notified body or by manufacturer’s self-declaration if the directive dictates. Companies selling to the Turkish market must submit evidence of conformity (CE Mark) either by providing a notarized/consularized conformity certificate from a notified body or a manufacturer’s issued certificate of conformity, which declares compliance of all relevant directives.

The CE Mark was established by the European Union to ensure the free circulation of products in Europe. The directives that were entered into effect under a system called the “New Approach,” were established to ensure, health and safety, consumer and environmental protection. The “New Approach” identifies level of risk and hazard. Annexes to the various EU directives will specify levels of risk and types of products that would need to be either certified by a notified body or if the product can be certified by the manufacturer as conforming to the particular directive(s). The EU’s laws and regulations made it compulsory to comply with the directives when goods are sold in the territory of the European Union and the European Economic Area (EEA). Companies must show evidence of product compliance by maintaining or presenting a technical file that includes product specifications, technical drawings and standards applied per the appropriate directives and corresponding annexes.

Standards Organizations
NIST Notify U.S. Service Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Conformity Assessment

The European Commission does not have a list of products to which their directives apply. Thus the manufacturer is to determine the applicability of relevant directives to any given product. Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. As the initial step to obtain the CE marking manufacturers need to identify all applicable EU directives and determine the essential requirements indicated in the directives. This is followed by the selection of the appropriate conformity assessment module, which determines the relevant procedures to demonstrate conformity. For low risk profile products the process is relatively simple as manufacturers are allowed to self certify without a third party involvement. The high risk group products are certified via an accredited testing laboratory, which is referred to as a “Notified Body”. The risk level of the product determines the scope of the notified body involvement during the conformity assessment process. A notified body may be involved in the design, the production phase or both. CE marking shall be followed by the identification number of the notified body if it has any involvement in the production phase. It is also possible to have multiple notified bodies involved in the conformity assessment process for those products, which fall under more than one directive. There are competent notified bodies in the U.S. to perform tests on products and an updated list is maintained by the U.S. Department of Commerce. You can find conformity assessment bodies in individual member state country in this list by the European Commission http://europa.eu.int/comm/enterprise/nando-is/home/index.cfm. To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs.

Products that fall under the Active Implantable Medical Device Directive, the Medical Device Directive, the Low Voltage Directive, the EMC Directive and the Machinery Directive are inspected by the Turkish Standards Institution, in terms of CE compliance. The inspection procedure in TSE, for CE compliance, starts with the examination of the declaration of conformity. The declaration of conformity must mention the applicable directive(s), the name of the manufacturer or his authorized representative, the name of the notified body (if involved), product information and reference to harmonized standards. If the notified body is also involved in the process, the type examination certificate should also be submitted.

Following the initial phase, the products are examined in terms of the way CE Mark is affixed. The examination process is conducted by a committee set up by the Turkish Standards Institute. CE Mark must be affixed to the data plate or to the product. If not, it should be placed on packaging and accompanying documents. It must be affixed visibly, legibly and indelibly. It must be in compliance with the predetermined proportions. If the committee decides that CE mark is affixed properly to the product, TSE issues another declaration of conformity.
For products falling outside of the scope of the European Union New Approach Directives and where the Government of Turkey has established a directive or standard, then that standard or directive would apply. At this point, certification of compliance with TSE standards would be required. Turkish Standards Institute contact information is provided below in the website portion of this chapter. The manufacturers are required to submit a declaration of conformity for each applicable directive and prepare a technical file. Following this step the CE mark can be affixed to the product in accordance with the Directive 93/68/EEC.

Product Certification

To sell their product to Turkey, the EU as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards.

In the 1980s, the New Approach was launched to overcome the lengthy adoption process of “old approach” type legislation. The goal of the European Union's harmonization program under the New Approach is to streamline technical harmonization and the development of standards for certain product groups, including, among others, machinery, toys, construction products, electromagnetic compatibility, personal protective equipment, non-automatic weighing instruments, medical devices, gas appliances, hot water boilers, and radio and telecommunications terminal equipment (RTTE). Under the New Approach, Directives cover essential safety, health and environmental requirements. The three regional European standards organizations, CEN, CENELEC and ETSI, are mandated by the Commission to develop technical standards that are consistent with the essential requirements of EU Directives.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE Mark and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the European Union. A manufacturer can choose not to use the harmonized EU standards, but must then demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.
The CE mark addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by EU Member State inspectors, the consumer may well perceive it as a quality mark.

The CE mark is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE mark, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

**Accreditation**

Independent certification bodies have been officially accredited by competent authorities to test and certify to EU requirements. However, under the U.S./EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, will be allowed to test in the United States to EU specifications, and vice versa. The costs will be significantly lower and U.S. products will, as a result, become more competitive. At this time, the U.S./EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (in transition), and recreational craft (in force).

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**Trade Agreements**

The EU confirmed Turkey's status to be accession negotiations on 17 December 2004. Turkey continues to reap the benefits of its 1996 customs union agreement with the EU, particularly in terms of improved economic efficiency. The customs union commits Turkey to adopt the EU's common external tariff and a commercial policy "substantially similar" to that of the EU, including adoption of the EU's preferential trade regime with third countries. Turkey has already signed Free Trade Agreements with the EFTA member countries and is in the process of finalizing agreements with the other EU applicant countries.
Turkey is a founding member of the Black Sea Economic Cooperation (BSEC) in which the governments of Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey and the Ukraine are nurturing multilateral cooperation among the members on a number of issues including trade. Turkey, along with Pakistan and Iran, is a founding member of the Economic Cooperation Organization (ECO). ECO, whose membership beyond the founders includes Afghanistan, Azerbaijan, Turkmenistan, Uzbekistan, Kyrgyzstan, Tajikistan and Kazakhstan has had limited success in improving trade cooperation. Turkey is a founding member of the Southern Europe Cooperative Initiative (SECI); a regional association aimed at encouraging cooperation among its member states on a variety of issues including customs, transportation and anti-crime efforts. SECI member states include Albania, Bosnia & Herzegovina, Bulgaria, Croatia, Greece, Hungary, the Former Yugoslav Republic of Macedonia, Moldova, Romania, Slovenia and Turkey.

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