

CUSTOMS LAW No.4458 of 27/10/1999

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TITLE I

GENERAL PROVISIONS

CHAPTER ONE

Scope and Basic Definitions

ARTICLE 1- The scope of this law is to lay down the customs rules that shall apply to goods and means of transport entering into and exiting from the Customs Territory of the Republic of Turkey.

ARTICLE 2- The Customs Territory of the Republic of Turkey shall comprise the territory of the Republic of Turkey. The Customs Territory shall include the territorial waters, the inland maritime waters and the airspace of Turkey.

For the purposes of this Law, "The Customs Territory of Turkey" and "The Customs Territory" shall mean the Customs Territory of the Republic of Turkey.

ARTICLE 3- For the purposes of this Law, the following definitions shall apply:

1. ' the Undersecretariat' means the Undersecretariat for Customs.

2. 'Customs Administration' or 'Administrations' means all the hierarchical administrative units within the central or regional organizations where the acts defined in the customs legislation are partially or completely performed.

3. 'Person' means a natural person, and a legal person, as well as where possibility is provided for under the rules in force, an association of persons recognized as having the capacity to perform legal acts but lacking the legal status of a legal person.

4. 'Person established in the Customs Territory of the Republic of Turkey' means:

- a) in the case of a natural person, any person who is normally resident there,
- b) in the case of a legal person or an association of persons, any person that has in the territory its registered office, central headquarters or a permanent business establishment.

5. 'Decision' means any official act by the customs administration pertaining to the Customs Legislation giving a ruling on a particular case, including binding tariff and origin information matters, such act having legal effects on one or more persons.

6. 'Goods in free circulation' means, without prejudice to special provisions of the international agreements to which Turkey is a party,

- goods that enter into the Customs Territory of Turkey subject to the procedure of release for free circulation.
- goods considered to be of Turkish origin in accordance with the provisions of Articles 18 and 19, without taking into consideration whether the input used for their production is domestic or not.

7. 'Customs status' means the status of goods as released for free circulation in the Customs Territory of Turkey or not.

8. 'Customs duties' means all the export or import duties applied to goods subject to the provisions in force.

9. 'Import duties' means

- customs duties and charges having an effect equivalent to customs duties payable on the importation of goods,
- import charges introduced under the agricultural policy or under the specific arrangements applicable to processed of agricultural products.

10. 'Export duties' means

- customs duties and fiscal charges having an effect equivalent to customs duties imposed on the exportation of goods,
- export charges introduced under the agricultural policy or under the specific arrangements applicable to processed agricultural products.

11. 'Debtor' means any person liable for fulfillment of a customs debt.

12. 'Supervision by the customs administration' means action taken in general by the customs administrations with a view to ensuring that customs rules and, where appropriate, other provisions applicable to goods subject to customs supervision are observed.

13. 'Control by the customs administration' means the performance of specific acts such as examining goods, verifying the existence and authenticity of documents, examining the accounts of undertakings and other records, inspecting means of transport, inspecting luggage and other goods carried by or on persons and carrying out official inquiries and other similar acts with a view to ensuring that customs rules and, where appropriate, other provisions applicable to goods subject to customs supervision are observed.

14. 'Customs-approved treatment or use of goods' means:

- (a) the placing of goods under a customs procedure;
- (b) their entry into a free zone;
- (c) their re-exportation from the Customs Territory of Turkey;
- (d) their destruction;
- (e) their abandonment to the Exchequer;

15. 'Customs procedure' means:

- (a) release for free circulation;
- (b) transit;
- (c) customs warehousing;
- (d) inward processing;
- (e) processing under customs control;
- (f) temporary admission;
- (g) outward processing;
- (h) exportation;

16. 'Customs declaration' means the act whereby a person indicates in the prescribed form and manner a wish to place goods under a given customs procedure.

17. 'Declarant' means the person making the customs declaration in his own name or the person in whose name a customs declaration is made.

18. 'Presentation of goods to customs' means the notification to the customs administration, in the manner laid down, of the arrival of goods at the customs office or at any other place designated or approved by the customs administration.

19. 'Release of goods' means the act whereby the customs administrations release the goods for the purposes stipulated by the customs procedure under which they are placed.

20. 'Holder of the procedure' means the person who makes the declaration or the person on whose behalf the customs declaration was made or the person to whom the rights and obligations of the above-mentioned person in respect of a customs procedure have been transferred.

21. 'Holder of authorization' means the person to whom an authorization has been granted.

22. 'Handling' means the act, without changing their essential characteristics, whereby the goods subject to customs supervision are stacked, replaced, moved from big packages to smaller ones, ventilated, screened, mixed etc. or renewal or repair of packages.

23. 'Goods' means all kinds of material, product and value.

ARTICLE 4- Any person in contact with the customs administrations shall be liable to comply with the provisions of this Law and the rules, decrees and

regulations adopted under this Law; to be subject to the supervision and controls by the customs administrations pertaining to both this Law and other laws, decrees and regulations; to pay or guarantee all kinds of taxes, duties, fees and charges that the customs administrations collect either in the name of themselves or in the name of, or on behalf of the other administrations; to perform all kinds of acts made obligatory by the provisions of laws, decrees, regulations and rules.

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CHAPTER TWO

Sundry General Provisions Relating in Particular to the Rights and Obligations of Persons with Regard to the Customs Legislation

SECTION 1

Right of Representation

ARTICLE 5- Any person may appoint a representative in his dealing with the customs administrations to perform the acts and formalities laid down by the customs legislation.

Except for the ones performing transportation in transit or making an occasional declaration, the representative must be established within the Customs Territory of Turkey.

Such representation may be direct, in which case the representative shall act in the name of another person, or indirect, in which case the representative shall act in his own name but on behalf of another person. A representative must state that he is acting on behalf of the person represented, specify whether the representation is direct or indirect and must produce the evidence of his powers to act as a representative. A person who fails to state that he is acting in the name of or on behalf of another person or who states that he is acting in the name of or on behalf of another person without being empowered to do so shall be deemed to be acting in his own name and on his own behalf.

The persons covered in paragraph 1 of Article 225 may perform the legal acts within the customs administration as an indirect representative.

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SECTION 2

Decisions relating the application of customs legislation

ARTICLE 6- 1. Where a person requests that the customs administrations take a decision relating to the application of customs rules that person shall supply all the information and documents required by those administrations in order to take a decision.

2. The request for a decision must be made in writing. The decision shall be made within 30 days, starting on the date on which the said request is received by the customs administrations. Such a decision must be notified in writing to the applicant.

However, that period may be exceeded where the customs administrations are unable to comply with it. In that case, those administrations shall so inform the applicant before the expiry of the above-mentioned period, stating the grounds which justify exceeding it and indicating the further period of time which they consider necessary in order to give a ruling on the request.

3. Decisions adopted by the customs administrations in writing which either reject requests or are detrimental to the persons to whom they are addressed shall set out the grounds on which they are based. They shall refer to the right of appeal provided for in Title XII.

4. Save in the cases provided for in Article 245, decisions adopted shall be immediately enforceable by customs administrations.

ARTICLE 7- 1. A decision favorable to the person concerned shall be annulled if:

- (a) it was issued on the basis of incorrect or incomplete information and
- (b) the applicant knew or should reasonably have known that the information was incorrect or incomplete, and
- (c) such decision is found that it could not have been taken on the basis of correct or complete information.

2. A decision favorable to the person concerned, shall be revoked or amended where,

- (a) one or more of the conditions laid down for its issue were not or are no longer fulfilled.
- (b) the person to whom it is addressed fails to fulfil an obligation imposed on him under that decision.

3. The persons to whom the decision was addressed shall be notified of its annulment.

4. Annulment subject to paragraph 1 shall take effect from the date on which the annulled decision was taken. As provided in paragraph 2, the revocation or amendment of the decision shall take effect from the date of notification. However, in exceptional cases where the legitimate interests of the person to whom the decision is addressed so require, under the conditions determined in the regulation in force, the customs administrations may defer the date when revocation or amendment takes effect.

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SECTION 3

Information

ARTICLE 8- 1. Any person may request information concerning the application of customs legislation from the customs administrations.

Such a request may be refused where it does not relate to an import or export operation actually envisaged.

2. The information shall be supplied to the applicant free of charge. However, where special costs are incurred by the customs administrations, in particular as a result of chemical analyses or expert reports on goods, or the return of the goods to the applicant, he may be charged the relevant amount.

ARTICLE 9- 1. The Undersecretariat or the authorized customs administration shall issue binding tariff and binding origin information on written request.

2. Binding tariff or origin information shall be binding on the customs administrations as against the holder of the information only in respect of the tariff classification or determination of origin of goods and only for goods on which customs formalities are completed after the date on which the information was supplied by them.

Binding origin information shall be issued in compliance with the provisions regarding the determination of the origin of goods set out in Articles 17 to 22.

3. The holder of such information must prove that:

(a) for binding tariff information, the goods to be declared correspond to those described in the information in every respect;

(b) for binding origin information, the goods to be declared and the situation raising the right of origin correspond to those described in the information in every respect.

4. Binding tariff information shall be valid for a period of six years and binding origin information shall be valid for a period of three years from the date of issue. Binding information shall be annulled where it is based on inaccurate or incomplete information from the applicant.

5. Binding tariff information shall cease to be valid:

(a) where an amendment is made in the Turkish Customs Tariff and the information no longer conforms to the provisions laid down thereby;

(b) where it is no longer compatible with the amendments in the decisions of the World Customs Organization regarding the nomenclatures, explanatory notes and tariff headings with which the republic of Turkey has to comply;

(c) where the holder is notified of its revocation or amendment.

In the cases referred to in subparagraphs (a) and (b), binding tariff information shall cease to be valid starting from the date when the above-mentioned amendments are published in the Official Gazette.

6. Binding origin information shall cease to be valid:

(a) where a regulation is adopted or an amendment in compliance with an international agreement is made in the rules of origin and the information no longer conforms to the provisions law laid down thereby;

(b) where it is no longer compatible with the amendments in the decisions of the World Trade Organization regarding the Agreement on Rules of Origin, and the explanatory notes and decisions under this Agreement with which the Republic of Turkey has to comply;

(c) where the holder is notified of its revocation or amendment.

7. The holder of binding tariff or origin information which ceases to be valid pursuant to paragraphs 5 and 6 may still use that information six months from the date of publication or notification provided that he

concluded binding contracts for the purchases or sale of the goods in question, on the basis of the binding information before that tariff or origin measure was adopted. However, in the case of products for which an import, export or advance fixing certificate is submitted when customs formalities are carried out, the period of six months is replaced by the period of validity of the certificate. The Council of Ministers shall be authorized to bring an exception to the provisions of this paragraph.

8. The provisions of paragraph 7 regarding binding tariff or origin information shall be applied only for the purpose of:

- (a) determining import or export duties,
- (b) calculating export refunds and any other amounts granted for imports or exports as part of the agricultural policy,
- (c) using import, export or advance-fixing certificates which are submitted when formalities are carried out for acceptance of the customs declaration concerning the goods in question, provided that such certificates were issued on the basis of the tariff or origin information concerned.

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SECTION 4

Other provisions

ARTICLE 10- 1. Undersecretariat for Customs shall take all the measures deemed necessary to ensure that customs legislation is correctly applied.

2. The methods and principles on which conditions and for which cases the applications laid down in the customs legislation are simplified shall be determined by regulation.

ARTICLE 11- Only for the purposes of applying customs legislation, any person directly or indirectly involved in the customs operations concerned shall provide the Undersecretariat for Customs or the customs administrations with all the requisite documents, information and assistance at their request and by any time limit prescribed.

The person being asked for such information on these matters can not evade giving information by bringing about the provisions of secrecy laid down by special laws.

ARTICLE 12- 1. The customs administrations are obliged to cover all information which is by nature confidential or which is provided on a confidential basis. This information shall not be disclosed without the express permission of the person or authority providing it; the communication of information shall be permitted where the customs administrations may be obliged or authorized to submit them to the relevant authorities pursuant to the provisions in force, in respect of data protection or judicial decisions.

2. The provisions regarding the collection, usage, preservation, preservation period and disclosure to a third person of the confidential information provided for the purposes of customs procedures shall be laid down by regulation.

ARTICLE 13- The persons concerned shall keep the documents and information referred to in Article 11 for the purposes of control by the customs authorities for a period of 5 years. That period shall run from the end of the year in which:

(a) in the case of goods released for free circulation in circumstances other than those referred to in (b) or goods declared for export, from the end of the year in which the declarations for release for free circulation or export are registered;

(b) in the case of goods released for free circulation at a reduced or zero rate of import duty on account of their end-use, from the end of the year in which they cease to be subject to customs supervision;

(c) in the case of goods placed under another customs procedure, from the end of the year in which the customs procedure concerned is completed;

(d) in the case of goods placed in a free zone, from the end of the year on which they leave the free zone concerned.

ARTICLE 14- 1. The period, date or time limit laid down in this Law shall not be extended or deferred unless specific provision exists. In the case that the last day of this period, date or time limit coincides with an official holiday, it shall end at the end of the first working day.

2. In the case the period is determined in terms of weeks or months, the period shall end after the working hours of the day corresponding to the starting date in the last week or month. In the case the corresponding day does not exist in the last month, the period shall end after the working hours of the last day of the month.

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TITLE II.

FACTORS ON THE BASIS OF WHICH CUSTOMS DUTIES AND OTHER MEASURES PRESCRIBED IN RESPECT OF TRADE IN GOODS ARE APPLIED

CHAPTER ONE

Customs Tariff and Tariff Classification of Goods

ARTICLE 15.1. Customs duties legally owed shall be based on the customs tariff, which is in force on the date that the customs debt is incurred.

2. The other measures prescribed by provisions governing specific fields relating to trade in goods shall, where appropriate, be applied according to the tariff classification of those goods.

3. The Customs Tariff shall comprise:

(a) The Turkish Customs Tariff adopted by the Council of Ministers;

(b) Any other nomenclature which is wholly or partly based on the Turkish Customs Tariff or which adds sub-divisions to it, and which is established for the application of tariff measures relating to trade in goods;

(c) The rates and other items of charge covered by the Turkish Customs Tariff as regards

- customs duties; and

- import duties laid down under the specific arrangements regarding the agricultural policy or and processed agricultural products;

(d) the preferential tariff measures contained in agreements which Turkey has concluded with certain countries or groups of countries and which provide for the granting of preferential tariff treatment;

(e) preferential tariff measures adopted unilaterally by Turkey in respect of certain countries, group of countries or territories;

(f) suspensive measures providing for a reduction in or relief from import duties chargeable on certain goods;

(g) other tariff measures apart from above.

4. Without prejudice to the rules on flat-rate charges, the measures referred to in paragraph 3 (d), (e) and (f) shall apply at the declarant's request instead of those provided for in subparagraph (c) where the goods concerned fulfil the conditions laid down by those first-mentioned measures, provided that the relevant conditions are fulfilled, an application may be made after the customs formalities or after release of the goods.

5. Where application of the measures referred to in paragraph 3 (d), (e) and (f) is restricted to a certain volume of imports, it shall cease:

(a) in the case of tariff quotas, as soon as the stipulated limit on the volume of imports is reached;

(b) in the case of tariff ceilings by Decree of the Council of Ministers.

6. The tariff classification of goods shall be the determination, according to the rules in force, of:

(a) the subheading of the Turkish Customs Tariff or the subheading of any other nomenclature referred to in paragraph 3 (b); or

(b) the subheading of other nomenclature which is wholly or partly based on the Turkish Customs Tariff or which adds any subdivisions to it, and which is established by the Decree of the Council of Ministers governing specific fields with a view to the application of measures other than tariff measures relating to trade goods.

7. The Customs Tariff, its explanatory notes and the index of goods shall be issued by the Undersecretariat and published in the Official Gazette. The texts published in this way, shall be considered a basis for administrative and judicial applications.

ARTICLE 16- 1. The preferential tariff treatment from which certain goods may benefit by reason of their nature or end-use shall be subject to conditions laid down by the Council of Ministers. When an authorization is required, Articles 80 and 81 shall be applied.

2. For the purposes of paragraph 1, the expression "preferential tariff treatment" means a reduction in import duties or suspension arrangement even under a tariff quota.

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CHAPTER TWO

Origin of Goods

SECTION 1

Non-preferential origin of goods

ARTICLE 17- Articles 18 to 21 define the non-preferential origin of goods for the purposes of:

(a) applying the Turkish Customs Tariff with the exception of the measures referred to in Article 15 (3) (d) and (e);

(b) applying measures laid down by the Council of Ministers other than the tariff measures relating to trade in goods,

(c) the preparation and issue of certificates of origin.

ARTICLE 18-1. Goods originating in a country shall be those wholly obtained or produced in that country.

2. The expression 'goods wholly obtained in a country' means:

(a) mineral products extracted within that country;

(b) vegetable products harvested therein;

(c) live animals born and raised therein;

(d) products derived from live animals raised therein;

(e) products of hunting or fishing carried on therein;

(f) products of sea-fishing and other products taken from the sea outside a country's territorial sea by vessels registered or recorded in the country concerned and flying the flag of that country;

(g) goods obtained on board factory ships from the products referred to in subparagraph (f) originating in that country, provided that such factory ships are registered or recorded in that country and fly its flag;

(h) products taken from the seabed or subsoil beneath the seabed outside the territorial sea provided that that country has exclusive rights to exploit that seabed or subsoil;

(i) waste and scrap products derived from manufacturing operations and used articles, if they were collected therein and are fit only for the recovery of raw materials;

(j) goods which are produced therein exclusively from goods referred to in subparagraphs (a) to (i) or from their derivatives, at any stage of production.

3. For the purposes of paragraph 2, the expression 'country' covers that country's territorial sea.

ARTICLE 19- Goods whose production involved more than one country shall be deemed to originate in the country where a new product manufactured or goods underwent economically justified last substantial transformation and an important stage of manufacture.

ARTICLE 20- Any processing or working in respect of which it is established, or in respect of which the facts as ascertained, create the impression, that its sole object was to circumvent the provisions applicable by Turkey to goods from specific countries, shall not be deemed to confer on the goods thus produced the origin of the country where it is carried out within the meaning of Article 19.

ARTICLE 21- 1. Submission of the certificate of origin shall be optional. However, it shall be obligatory to produce the certificate of origin proving that the goods are originated in a contracting country to an agreement or are deemed so due to the transformations and operations to which goods were subject within that country where a tariff reduction would

be claimed to be benefited on the basis of the certificate of origin in accordance with the provisions of international and bilateral agreements.

2. In cases other than paragraph 1, the rules and principles regarding the submission of certificate of origin and not asking for a certificate of origin in respect of the value, origin, description or nature of the goods, shall be determined by regulation.

3. The form and content of certificates of origin shall be determined by regulation by taking into consideration the international arrangements.

4. Notwithstanding the submission of the certificate of origin, the customs administrations may, in the event of serious doubts, require any additional proof.

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SECTION 2

Preferential origin of goods

ARTICLE 22- The rules on preferential origin of the goods to benefit from the preferential tariff measures referred to in Article 15 shall:

(a) in the case of goods covered by the agreements referred to in Article 15 (3) (d), be determined in those agreements;

(b) in the case of goods benefiting from the preferential tariff measures referred to in Article (15) (e), be determined in accordance with the Decree of the Council of Ministers.

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CHAPTER THREE

Value of Goods for Customs Purposes

ARTICLE 23- The provisions of this Chapter shall determine the customs value of the goods for the purposes of applying the Customs Tariff and non-tariff measures laid down on specific fields relating to trade in goods.

ARTICLE 24-1. The customs value of imported goods shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to Turkey, adjusted, where necessary, in accordance with Articles 27 and 28, provided:

(a) that there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which:

- are imposed or required by the laws and by-laws of Republic of Turkey or by the public authorities designated by them,
- limit the geographical area in which the goods may be resold,
- do not substantially affect the value of the goods;

(b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;

(c) that any part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, an addition may be made to the prices of goods actually paid or payable in accordance with Article 27.

(d) that the buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable as customs value under paragraph 2.

2. (a) In determining whether the transaction value is acceptable for the purposes of paragraph 1, the fact that the buyer and the seller are related shall not in itself be sufficient grounds for regarding the transaction value as unacceptable. In such cases, where necessary, the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If, in the light of information provided by the declarant or otherwise, the customs administration has grounds for considering that the relationship influenced the price, it shall communicate its grounds to the declarant in writing. The declarant shall reserve the right to respond within the prescribed time limit.

(b) In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with paragraph 1 wherever the declarant demonstrates that such value closely approximates to one of the following occurring at or about the same time:

- the transaction value in sales, between buyers and sellers who are not related in any particular case, of identical or similar goods sold for export to Turkey;
- the customs value of identical or similar goods, as determined under Article 25 (2) (c);
- the customs value of identical or similar goods, as determined under Article 25 (2) (d).

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 27 and costs incurred by the seller in sales in which he and the buyer are not related and where such costs are not incurred by the seller in sales in which he and the buyer are related.

(c) The values set forth in subparagraph (b) are to be used at the initiative of the declarant and only for comparison purposes. Substitute values may not be established under the said subparagraph.

3. (a) The price actually paid or payable is the total payment made or should be made by the buyer to or for the benefit of the seller for the imported goods. This price includes all payments made or to be made as a condition of sale of the imported goods by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller. The payments may take the form of a transfer of money and they may be made by the way of letters of credit or negotiable instruments or may be made directly or indirectly.

(b) Activities, including marketing activities, undertaken by the buyer on his own account, other than those for which an adjustment is provided as per Article 27, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller or have been undertaken by agreement with the seller. Their cost shall not be added to the price actually paid or payable in determining the customs value of imported goods.

ARTICLE 25- 1. Where the customs value cannot be determined under Article 24, it is to be determined by proceeding sequentially through subparagraphs (a), (b), (c) and (d) of paragraph 2. It is only when such value cannot be determined under a particular subparagraph that the provisions of the next subparagraph in a sequence established by virtue of this paragraph shall be applied. The order of application of subparagraphs (c) and (d) shall be reversed on condition that the written request of the declarant is deemed appropriate by the customs administration.

2. The customs value as determined under this Article shall be:

(a) the transaction value of identical goods sold for export to Turkey and exported at or about the same date as the goods being valued;

(b) the transaction value of similar goods sold for export to Turkey and exported at or about the same date as the goods being valued;

(c) the value based on the unit price at which the imported goods for identical or similar imported goods are sold within Turkey in the greatest aggregate quantity to persons not related to the sellers;

the computed value, consisting of the sum of the cost or value of materials and fabrication or other processing employed in producing the imported goods, and an amount for normal profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to Turkey, and the other costs or values of the items referred to in Article 27 (1) (e).

3. Any further methods and principles for the application of paragraph 2 above shall be determined in accordance with regulation.

ARTICLE 26- 1. Where the customs value of imported goods cannot be determined under Articles 24 or 25, it shall be determined, on the basis of data available in Turkey, using reasonable means consistent with the principles and general provisions of:

(a) the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade,

(b) Article VII of the General Agreement on Tariffs and Trade,

(c) the provisions of this Chapter.

2. No customs value shall be determined under paragraph 1 on the basis of:

(a) the selling price within Turkey of goods produced in Turkey;

(b) a system which provides for the acceptance by the customs administrations of the higher of two alternative values;

(c) the price of goods on the domestic market of the country of exportation;

(d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 25

(2) (d);

(e) prices for export to a country from Turkey;

(f) minimum customs values; or

(g) arbitrary or fictitious values.

ARTICLE 27- 1. In determining the customs value under Article 24, following additions shall be made to the price actually paid or payable for the imported goods:

(a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:

(i) commissions and brokerage, except buying commissions,
(ii) the cost of packages which are treated as being one, for customs purposes, with the goods in question,
(iii) the cost of packing, including the costs of labor or materials;

(b) the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:

(i) materials, components, parts and similar items incorporated in the imported goods,
(ii) tools, dies, moulds and similar items used in the production of the imported goods,
(iii) materials consumed in the production of the imported goods,
(iv) engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the country of importation and necessary for the production of the imported goods;

(c) royalties and license fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods to be valued, to the extent that such royalties and fees are not included in the price actually paid or payable;

(d) the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;

(e) the costs of transport and insurance formalities of the imported goods, carried out up to the port or place of entry of Turkey.

2. Additions to the price actually paid or payable to be made under this Article shall be on the basis of objective and quantifiable data.

3. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

4. In this Chapter, the term 'buying commissions' means fees paid by an importer to his agent for the service of representing him abroad in the purchase of the goods being valued.

5. In determining the customs value of the imported goods;

(a) payments for the right to reproduce the imported goods in Turkey, and

(b) payments made by the buyer for the right to distribute or to resell the imported goods provided that no condition of the sale for export to Turkey of the goods exists, shall not be considered within the extent of paragraph 1 (c) or shall not be added to the price actually paid or payable for the imported goods.

ARTICLE 28- Provided that they are shown separately from the price actually paid or payable, the following shall not be included in the customs value:

(a) charges for the transport of goods and insurance after their arrival at the place of introduction into the Customs Territory of the Republic of Turkey and into the customs territories of the customs union to which Turkey is a party by agreements;

(b) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation of imported goods such as industrial plant, machinery or equipment;

(c) charges for interest incurred by the buyer under a financing arrangement relating to the purchase of imported goods

(d) charges for the right to reproduce imported goods in Turkey ;

(e) buying commissions;

(f) import duties payable in Turkey by reason of the importation or sale of the goods.

Whether the finance is provided by the seller or another person shall not be considered under circumstances mentioned in subparagraph (c). Nevertheless it is obligatory that the financing arrangement has been made in writing, and where required, the buyer must demonstrate that:

- such goods are actually sold at the price declared as the price actually paid or payable, and
- the claimed rate of interest does not exceed the level for such transactions prevailing in the country where, and at the time when, the finance was provided.

ARTICLE 29- Specific rules and principals may be laid down in accordance with regulation to determine the customs value of carrier media for use in data processing equipment and bearing data or instructions.

ARTICLE 30- The primary basis for customs value of goods shall be declared as Turkish Lira. The foreign currencies on invoices and other documents shall be converted to Turkish Lira over the rate of exchange of the Central Bank of Republic of Turkey, which is current on the date, the customs debt occurs.

ARTICLE 31-1. The provisions of this Chapter shall not affect the specific provisions regarding the determination of the value for customs purposes of goods released for free circulation after being assigned a different customs-approved treatment or use.

2. By way of derogation from Articles 24, 25 and 26, the customs value of perishable goods usually released on consignment may, at the request of the declarant, be determined under simplified rules drawn up by the customs administration.

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CHAPTER FOUR

The Weight and Packages of Goods

ARTICLE 32-1. For the goods dutiable on the basis of weight in accordance with the Customs Tariff, the weights taken as a basis in determining the duties and the scope of certain headings and subheadings shall be considered as:

- (a) The aggregate weight covering the own weight of goods and the packing materials and packages when gross weight is referred to,
- (b) The own weight of goods when net weight or only weight is referred to.

2. In the case that goods dutiable on their gross weight, are received without packing, the concerned goods shall be subject to taxation on their received state.

3. In the case that goods that are subject to different duty rates and, at the same time, taxation on their gross weights are received within the same package, they shall be weighed on their net weight and the package weight shall be proportionally added to the net weight.

4. In the case that the declared gauge unit and the dutiable gauge unit are different, the rules and principles of conversion of these units to each other shall be laid down by regulation.

5. In the case that the packages of goods are;

- (a) not formed of usual and known materials or packed in a different way than necessary,
- (b) indicated to have different values on the invoice of goods and deemed as separate commercial goods,
- (c) imported in packing form in order to evade import duties;

these shall be declared separately and shall be dutiable in accordance with their tariff classification.

However, in the case that the duty rate of the packing materials of the kind above-mentioned that are dutiable on their own tariff is less than or equal to that of the goods therein, the customs duty imposed on packing materials shall be computed together with the goods on the basis of the duty rates which goods are subject to.

6. In the case that the customs duties of unusually packed boxes, cases and packages are higher than the duty rate of goods therein, they shall be dutiable in accordance with their specific tariff classification.

Boxes, cases and packages of goods subject to ad-valorem duty, shall not be subject to customs duty on condition that they are not deemed as commercial goods in itself and their value is not included within the value of goods.

7. In the customs examination by sampling method of the goods dutiable on their weight;

(a) on the basis of the average of excessive amount, additions shall be made to the unweighed packages of the goods of same nature and description provided that any excessive amount is observed comparing to the declaration as a result of the weighing of some of the packages. Where the declarant does not accept this operation, the customs administrations shall weigh all the packages;

(b) the import duties shall be computed on the determined value in the case that any deficiency is observed in the weighed packages contrary to the declaration and that this deficiency is demonstrated to be incurred by the nature of goods or any damage or misdeclaration or theft.

Under such circumstances the customs administrations or the declarant shall reserve the right to have the whole packages weighed.

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TITLE III

EXAMINATION OF VEHICLES AND PROVISIONS APPLICABLE TO GOODS BROUGHT INTO THE CUSTOMS TERRITORY OF TURKEY UNTIL THEY ARE ASSIGNED A CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER ONE

Vehicles' Entry into and Exit from the Customs Territory of Turkey

ARTICLE 33- Entry into and exit from the Customs Territory of Turkey shall be carried out through the customs offices. It is obligatory that certain routes be followed between the customs offices at the entry of the Customs Territory and the inland customs offices. The entry and exit offices and interconnecting routes and the airports where customs formalities are carried out and whereby aircraft may land on the Customs Territory of Turkey, shall be established by the Undersecretariat and shall be published in the Official Gazette after consultation with the relevant public bodies.

Public railways shall be deemed as customs route.

ARTICLE 34-1. Goods brought into or exit from the customs territory of Turkey shall be subject to customs supervision. They shall be subject to control by customs administration in accordance with the provisions in force.

2. No load or traveler shall be admitted to the vehicles in question without permission of the relevant customs administration or without concluding the examination of the vehicles arriving at the Customs Territory of Turkey by road, and the concerned vehicle shall not pass through. The combination of trains shall not be changed by switching or coupling carriages.

Goods outside the Customs Territory of Turkey may only be brought to an authorized customs administration at the frontier via vehicles other than rail. The goods brought to an unauthorized customs authority shall be rejected unless it has been referred to an authorized customs administration under the customs supervision.

The animals to be brought into the Customs Territory of Turkey on foot shall enter through the customs administrations where sanitary inspection can be made.

3. (a) Unless unforeseeable circumstances and force majeure occur or no customs control is required, the vessels arriving from the ports out of the Customs Territory of Turkey shall not change their normal route for their destination port, pause in the course of the journey, contact with other vessels or shall not board by places where no customs administration exists. The customs administrations shall be authorized to inspect the vessel, its load and the ledgers, papers and records thereof, and where necessary to seal the holds and other places that contain goods.

The vessels coming from foreign ports into the Turkish ports and rivers shall halt or make the way enough at certain places in order to be examined for customs purposes.

Either the owner of the vessel or his agent shall inform the relevant customs administration at least 3 hours before the departure or arrival of the vessels that arrive at Turkey from foreign ports or that depart from Turkey for foreign ports.

The seamen and the travellers of vessels and persons, on duty or not, who visit the vessels may enter to or exit from Turkey only through the authorized customs administrations

(b) Vessels that ply between the Turkish ports and possess an agency, shall be subject to paragraph (a) in the case that they carry goods not released for free circulation or they halt at the ports en route. The Undersecretariat shall have the authority to lay down the methods and principles in order to facilitate the control and customs formalities regarding such vessels and the travellers and loads thereof.

(c) The journey and carriage of the vessels other than those referred to in paragraph (b) may be subject to the customs supervision. Within the conditions to be laid down and the authorization to be granted by the Undersecretariat, such vessels may transit the goods not released for free circulation between the Turkish ports.

(d) Methods and principles of any customs supervision and control on the carriages referred to in paragraph (c) and of the vehicles of whatever kind navigating in the territorial waters and inland waterways shall be determined by regulation.

4. The aircraft that have arrived to Turkey and that are to depart from Turkey may land on or take off from the airports where the authorized customs administrations are situated. These aircraft shall be subject to customs supervision. The pilots of the aircraft that have arrived or departed by a special permission, shall act upon the directives given.

5. Provided that they contain no goods, warfare vessels of the Turkish Navy and navies of foreign countries warfare, crafts of the Turkish Air Force and the foreign warfare crafts that have arrived upon the permission of the Council of Ministers, shall not be subject to customs supervision.

ARTICLE 35- Entry into and exit from the Customs Territory of Turkey and any customs formalities of whatever kind in customs administrations shall be carried out within the regular working hours.

Nevertheless;

(a) a line of coupled railway carriages and regularly plying sea, river, land and air vehicles shall reserve the right to enter into and exit from the Customs Territory at any hour of night and day. Likewise, the irregularly plying sea, river, land and air vehicles which bring travellers shall also reserve the right to enter into and exit from the Customs Territory.

(b) Vessels shall be able to load and unload goods and embark and disembark travellers at any hour of the day and night at the ports where operation facilities exist.

(c) Customs administrations shall also accept the loading and unloading requests of the vessels which, due to force majeure, had to enter or leave, out of the working hours, a port where a customs administration is situated. Vessels, carrying travellers and tourists, may, out of the working hours, enter and leave a port where a customs administration is situated.

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CHAPTER TWO

Entry of Goods Into the Customs Territory of Turkey

ARTICLE 36- 1. Goods brought into the Customs Territory of Turkey shall, from the time of their entry, be subject to customs supervision. They shall be subject to control by the customs administration in accordance with the provisions in force.

2. They shall remain under such supervision for as long as necessary to determine their customs status, and in the case of goods not released for free circulation and without prejudice to Article 77 (1), until their customs status is changed, or they enter a free zone or they are re-exported or destroyed in accordance with Articles 163 and 164.

ARTICLE 37- 1. Goods brought into the Customs Territory of Turkey shall be conveyed by the person bringing them without delay, under the rules specified by the Undersecretariat:

(a) to the customs administration designated or to any other place approved by those administrations; or,

(b) directly to a free zone by sea or air, or by land without passing through a part of the Customs Territory of Turkey.

2. Any person who assumes responsibility for the carriage of goods after they have been brought into the Customs Territory of Turkey, as a result of transshipment, shall become responsible for compliance with the obligation laid down above.

3. Without prejudice to provisions in force with respect to supervision and control by the customs administrations, the Undersecretariat is authorized to lay down special provisions regarding travellers, inhabitants of boundaries, postal traffic and goods of negligible economic importance.

4. Paragraphs 1 to 3 and Articles 38 to 50 shall not apply to goods which have temporarily left the Customs Territory of Turkey while moving between two offices in that territory by sea or air, provided that carriage has been effected by a direct route and by regular air service or shipping line without a stop outside the Customs Territory of Turkey.

This provision shall not apply to goods loaded in foreign ports or airports or at free ports.

5. Paragraph 1 shall not apply to goods on board vessels or aircraft crossing the territorial sea or airspace of Turkey without having as their destination a Turkish port or airport.

ARTICLE 38- 1. Where, by reason of unforeseeable circumstances or force majeure, the obligation laid down in Article 33 and paragraphs 1 and 3 of Article 34 cannot be complied with, the person bound by that obligation or any other person acting in his place shall inform the customs administration of the situation and the location and condition of the goods without delay.

2. Where, by reason of unforeseeable circumstances or force majeure, a captain of a vessel or a person carrying goods within the Turkish territorial waters is forced to drop these goods into the sea or disembark, transfer or collect them, he shall inform the nearest customs administration of the situation and the location and condition of the goods without delay in order to enable the determination of their customs status and other necessary measures.

3. Where, by reason of unforeseeable circumstances or force majeure, a vessel or aircraft covered by paragraph 5 of Article 34 is forced to put into port or land temporarily in the Customs Territory of Turkey and the obligation laid down in paragraphs 1,3 and 4 of Article 34 cannot be complied with, the person bringing the vessel or aircraft into the Customs Territory of Turkey or any other person acting in his place shall inform the customs administration of the situation without delay.

4. The Undersecretariat shall determine the measures to be taken in order to permit customs supervision of the goods referred to in paragraph 1 as well as those on board a vessel or aircraft in the circumstances specified in paragraph 2 and to ensure, where appropriate, that they are subsequently conveyed to a customs administration or other place designated or approved.

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CHAPTER THREE

Presentation of Goods to Customs

ARTICLE 39- Except for the goods that entered into free zones pursuant to the principles determined by the Undersecretariat, goods which arrive at the customs administration or other place designated or approved by the customs administrations shall be presented to customs by the person who brought the goods into the Customs Territory of Turkey or, if appropriate, by the person who assumes responsibility for carriage of the goods following such entry.

ARTICLE 40- Other than the provisions of Article 39, the Undersecretariat may lay down special rules relating to goods:

- (a) carried by travellers;
- (b) placed under a customs procedure but not presented to customs.

ARTICLE 41- Goods may, once they have been presented to customs, and with the permission of the customs administration, be examined or samples may be taken, in order that they may be assigned a customs-approved treatment or use. Such permission shall be granted, on request, to the person concerned and authorized to assign the goods such treatment or use.

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CHAPTER FOUR

Summary Declaration and Unloading of Goods Presented to Customs

ARTICLE 42- Without prejudice to the provisions of Article 44, goods presented to customs within the meaning of Article 39 shall be covered by a summary declaration. The summary declaration shall be lodged to the concerned customs administration within working hours of the first working day following the date on which the goods are presented to customs.

ARTICLE 43- 1. The summary declaration shall be made on a form corresponding to the specimen prescribed by the Undersecretariat. However, the Undersecretariat may permit the use, as a summary declaration, of any commercial or official document, which is internationally accepted and contains the particulars necessary for identification of the goods.

2. The summary declaration shall be lodged by:

(a) the person who brought the goods into the Customs Territory of Turkey or by any person who assumes responsibility for carriage of the goods following such entry;

or

(b) the person in whose name the persons referred to in subparagraph (a) acted.

3. The warfare vessels owned by the Turkish Navy or navies of foreign countries, and the warfare craft of the Turkish Air Force and the warfare craft of foreign countries that enter into the territory by the permission of the Council of Ministers shall not be subject to customs supervision. However, the goods carried by the warfare vessels and the warfare crafts shall be listed and declared to the nearest customs administration within 24 hours after their arrival by the captains in order to enable their customs control and other customs formalities. The goods belonging to captain and crew of the vessels and aircraft in question shall be subject to this provision.

4. In the case of empty vehicles entering into the Customs Territory of Turkey, this situation shall be stated to the customs administration by a form.

ARTICLE 44- The Undersecretariat is authorized to adopt special provisions waiving the lodging of a summary declaration regarding goods brought by travellers, travellers' goods brought by any other vehicles and parcel post.

This article shall apply on condition that this does not jeopardize customs supervision of the goods, where, prior to the expiry of the period referred to in Article 42, the formalities necessary for the goods to be assigned a customs-approved treatment or use are carried out.

ARTICLE 45- 1. Goods may be unloaded or transhipped from the means of transport carrying them with the permission of the customs administrations in places designated or approved by those customs administrations

Goods can not be unloaded from the means of transport without submitting a summary declaration or a commercial or official document used as a summary declaration to the customs administrations.

However, such permission shall not be required in the event of the imminent danger necessitating the immediate unloading of all or part of the goods. In that case, the nearest customs administrations shall be informed accordingly forthwith.

2. For the purpose of inspecting goods and the means of transport carrying them, the customs administrations may if appropriate require goods to be unloaded and unpacked.

3. Goods shall not be removed from their original position without the permission of the customs administrations.

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CHAPTER FIVE

Obligation to Assign Goods Presented to Customs a Customs-approved Treatment or Use

ARTICLE 46- 1. Goods presented to customs shall be assigned a customs-approved treatment or use.

2. Where goods are covered by a summary declaration, the formalities necessary for them to be assigned a customs-approved treatment or use must be carried out within:

(a) 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;

(b) 20 days from the date on which the summary declaration is lodged in the case of goods carried otherwise than by sea.

3. Where circumstances so warrant the Undersecretariat may set a shorter period or authorize an extension of the periods referred to in paragraph 2. Such extension shall not, however, exceed the genuine requirements, which are justified by the circumstances.

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CHAPTER SIX

Temporary Storage of Goods

ARTICLE 47- Until such time as they are assigned a customs-approved treatment or use, goods presented to customs shall, following such presentation, have the status of goods in temporary storage. Such goods shall hereinafter be described as 'goods in temporary storage'.

ARTICLE 48- 1. Goods in temporary storage shall be stored only in places approved by the customs administrations under the conditions laid down by those administrations.

The customs administrations may require the person holding the goods in temporary storage to provide security with a view to ensuring payment of any customs debt which may arise.

2. The goods placed in the customs stores special to travellers' goods can be kept there for a period of 3 months following presentation before they are assigned a customs-approved treatment or use.

ARTICLE 49- Without prejudice to the provisions of Article 41, goods in temporary storage shall be subject only to such forms of handling as are designed to ensure their preservation in an unaltered state without modifying their appearance or technical characteristics. The rules of handling shall be determined by regulation.

ARTICLE 50- 1. Where they are not involved in administrative or judicial proceedings, goods in respect of which the formalities necessary for them to be assigned a customs-approved treatment or use are not initiated within the periods determined in Article 46 and paragraph 2 of Article 48 shall be disposed of in accordance with Articles 177 to 180.

2. The customs administrations may, at the risk and expense of the person holding them, have the goods in question transferred to a special place, which is under their supervision, until the situation of the goods is regularized.

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CHAPTER SEVEN

Provisions applicable to Goods Which Have Moved Under a Transit Procedure

ARTICLE 51- Article 37 to 50, with the exception of paragraph 1 (a) of Article 37, shall not apply when goods already placed under a transit procedure are brought into the Customs Territory of Turkey.

ARTICLE 52- Once goods that will move under a transit procedure in the Customs Territory of Turkey are presented to customs in accordance with the rules governing transit, Article 41 to 50 shall apply.

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CHAPTER EIGHT

Other Provisions

ARTICLE 53- Where the circumstances so require, the customs administrations may have goods presented to customs destroyed. The customs administrations shall inform the holder of the goods accordingly. The costs of destruction of the goods shall be borne by the holder.

ARTICLE 54- Where customs administrations find that goods have been brought, as contrary to the provisions laid down by this law, into the Customs Territory of Turkey or have been withheld from customs control, Law on the Prohibition and Investigation of Smuggling No. 1918 of 7.1.1932 and relevant provisions of other laws shall apply.

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TITLE IV

CUSTOMS-APPROVED TREATMENT OR USE

CHAPTER ONE

General Provisions

ARTICLE 55- 1. Save as otherwise provided, goods may at any time, under the conditions laid down, be assigned any customs-approved treatment or use irrespective of their nature or quantity, or their country of origin, consignment or destination.

2. Regarding the assignment of goods a customs-approved treatment or use, The Council of Ministers may adopt prohibitions or restrictions justified on grounds of public morality, public order or public security, the protection of health and life of humans, animals and plants, the protection of national treasures possessing artistic, historic or archaeological value or the protection of industrial and intellectual property rights.

3. The Council of Ministers is authorized to adopt prohibitions or restrictions or to apply different procedures or tariff, as a reprisal, for the goods and means of transport belonging to foreign countries which do not have an agreement made with Turkey on trade, customs, transportation or

have partially or totally withdrawn from the provisions of the signed agreements unilaterally ahead of time or have adopted prohibitions or restrictions for Turkish means of land transport, vessels and aircraft or apply different procedures for them.

ARTICLE 56- 1. The importation of goods to Turkey having a name or sign, either on themselves or their inner or outer coverings, which shows or rises a suspicion that they are products of a country other than their producer countries shall not be permitted. Undersecretariat may permit their transit, storage in warehouses or likewise places, or re-exportation.

2. The importation of all kinds of blank envelopes, tapes, labels, stamps and likewise goods with prints or writings in foreign languages on them which shows or rises a suspicion that they are products of a foreign country into Turkey in order to be used for goods of Turkish origin and, with the exception of the proforma invoices of foreign firms not established in Turkey, the importation of blank invoices to Turkey, either signed or not, which may make documents issued in Turkey seem as issued in other countries shall not be permitted.

Such goods of the firms established in Turkey and of the foreign firms which have signed agreements of license, royalty or patent shall not subject to this provision.

ARTICLE 57-1. Under the legislation of protection of intellectual and industrial property rights, regarding the rights of trademarks, geographical indications and industrial designs and the rights covered by the Law of Intellectual and Artistic Work; at the request of the right holder or his representative or by their own initiative, where solid evidence is available that goods in question complies with the description of the counterfeit trademark or pirated copyright goods, customs administrations shall suspend the customs procedures of the goods infringing the rights of the persons concerned. Where a suspensive decision is adopted, the importer or the right holder or his representative shall be given notice.

2. In order to secure the rights of the importer or public, depending on the nature of the case, and to prevent abuses; the customs administration by its own initiative may order the applicant to provide security equivalent to the value of the goods in question.

3. Where the goods in question have been released for free circulation before the application is accepted, this acceptance by the customs administration shall not mean that the right holder is entitled to claim indemnities on grounds that the goods in question have been released without proper examinations being performed. Where the suspension of the customs procedures by the customs administration within the framework of combat against counterfeit trademark or pirated copyright goods proves to be useful or harmful to the persons concerned, the authorities of the customs administration shall not be liable against those persons.

4. If, within a period of 10 days following the notification to the right holder of the suspension, the customs administration has not been informed that legal proceedings leading to a decision on the merits of the case have been initiated or that the duly empowered judicial authority has taken provisional measures, customs procedures shall be carried out in accordance with the request of the declarant.

5. The goods whose customs procedures have been suspended may be destroyed, in accordance with the decision of the duly empowered judicial authority

and the principles of disposal procedure, or they may be disposed of by being sold after their essential characters having been altered.

6. The personal goods and gifts brought by passengers and postal consignments of non-commercial nature shall not be covered by this Article

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CHAPTER TWO

Customs Procedures

SECTION 1

Placing of goods under a customs procedure

ARTICLE 58- 1. All goods intended to be placed under a customs procedure shall be covered by a declaration for that customs procedure.

2. Goods in free circulation declared for an export, outward processing, transit or customs warehousing procedure shall be subject to customs supervision from the time of registration of the customs declaration until such time as they leave the customs territory of Turkey or are destroyed or the customs declaration is invalidated.

ARTICLE 59- 1. The customs declaration may be made:

- (a) in writing; or
- (b) using a data-processing technique; or
- (c) orally; or
- (d) by means of any other act whereby the holder of the goods expresses his wish to place them under a customs procedure.

2. Without prejudice to Articles 60 to 71, the proceedings regarding the declarations mentioned in subparagraphs (b), (c) and (d) of paragraph 1 shall be laid down by regulation.

A. Declarations in writing

I. Normal procedure

ARTICLE 60- 1. Declarations in writing shall be made on the form mentioned in paragraph 4. They shall be signed and contain all the particulars necessary for implementation of the provisions governing the customs procedure for which the goods are declared.

2. The declaration shall be accompanied by all the documents required for implementation of the provisions governing the customs procedure for which the goods are declared.

3. Declarations with erasures and wiping shall not be accepted by the customs administrations. However; where erroneous writing is voided by striking through, provided that it is still legible, the re-arranged information is written aside, and the declaration is signed by the holder of goods, declaration shall be officially stamped and corrected during registration .

4. Customs formalities shall be fulfilled by the declaration forms and other documents, formats and contents of which are determined by regulations. The Methods and principles regarding their printing and distribution are determined by the Undersecretariat. The Undersecretariat

is authorized to accept the above-mentioned documents prepared on computers.

ARTICLE 61- 1. Declarations which comply with the conditions laid down in Article 60 shall be registered by the customs administrations, provided that the goods to which they refer are presented to customs.

The registration procedure shall be completed when the declaration or the document used as a declaration is stamped and given a number and date, and related information is written on the approval registration book or entered in the computer records used for approval registration.

2. Save as otherwise provided, the date to be taken as the base for the purposes of all the provisions governing the customs procedure for which the goods are declared shall be the date of registration of the declaration by the customs administration.

3. A declaration, with the nature of a commitment, registered by the customs administration shall bind the declarant with regard to the duties and fines to which it refers and it shall be the base to assess the customs duties.

ARTICLE 62-1. Without prejudice to Article 5, a customs declaration may be submitted by any person having the authorization to present the goods concerned and to produce the documents required for the implementation of the provisions governing the customs procedure for which the goods are placed, or who is able to provide this submission to the competent customs administrations.

2. However, where registration of a customs declaration imposes particular obligations on a specific person, the declaration must be made by that person or on his behalf and the declarant must be established within the Customs Territory of Turkey.

Nevertheless, the condition regarding establishment within the Customs Territory of Turkey shall not apply to persons who make a declaration for transit or temporary importation and persons who declare goods on an occasional basis, provided that the customs administration consider this to be justified.

ARTICLE 63- The declaration can not be amended after it has been registered. However; the declarant shall, at his request, be permitted by customs administrations to amend one or more of the particulars of the declaration such as the good's weight, quantity, amount and value; except the description, nature, brand and numbers.

These amendments shall be made with the consent of the head of administration and be signed officially stamped together with the declarant.

However, no amendment shall be permitted after the customs administrations:

- (a) have informed the declarant that they intend to examine the goods;
- (b) have established that the particulars in question are incorrect;
- (c) without prejudice to Article 73, have released the goods.

ARTICLE 64- 1. The customs administrations shall, at the request of the declarant, invalidate a declaration already accepted where the declarant furnishes proof that goods were declared in error for the customs procedure covered by that declaration or that, as a result of special circumstances, the placing of the goods under the customs procedure for which they were declared is no longer justified; and may permit the declarant to make a new declaration if appropriate.

Nevertheless, where the customs administrations have informed the declarant of their intention to examine the goods, a request for invalidation of the declaration shall not be accepted until the outcome of the examination has been taken place.

2. Where goods are entirely damaged; customs administrations, upon request, shall permit their destruction or release out of the Customs Territory.

3. Once the declaration has been registered, the import duties shall not be reduced as a result of amendment or deterioration regarding the nature of goods.

However,

a) The customs administrations shall permit the declaration of goods which gain the properties of primary materials as "primary materials". Where they deem it necessary, the customs administrations shall take measures to prevent their usage in forms other than primary materials.

b) Where it is possible to separate partially damaged goods to pieces, the damaged part shall be covered by the provisions of paragraph (a). In the case it is impossible to separate the damaged and undamaged parts, at the request of the declarant, both the provisions of paragraph (a) may be applied and also the goods' exit from the Customs Territory or their destruction may be permitted.

4. The declaration shall not be invalidated after the goods have been released, except in cases defined in regulation.

5. Invalidation of the declaration shall not be without prejudice to the application of the penal provisions in force.

ARTICLE 65- 1. For the verification of declarations which they have accepted, the customs administrations may:

(a) examine the documents covering the declaration and the documents accompanying it. The customs administrations may require the declarant to present other documents for the purpose of verifying the accuracy of the particulars contained in the declaration;

(b) examine the goods and take samples for analysis or for detailed examination.

2. Where the goods covered in the declaration are examined, the outcome of the examination; where the goods are not examined, the information in the declaration shall be used for the application of the rules governing the related customs procedure.

3. For verification; the customs investigators, their assistants, customs controllers and Heads of customs administrations may, at any time, re-examine the goods which have already been examined and of which the formalities have been completed. Likewise, the above mentioned persons are authorized to inspect the customs procedures at any stage.

4. The persons who check the declaration and examine or re-examine the goods shall be liable, individually or jointly where appropriate, for the control or examination performed, the calculation of the customs debts or the application of the provisions of relief.

ARTICLE 66-1. The examination of goods shall be performed in places and warehouses where the goods are kept under the permission of customs administrations. The procedure and principles regarding examination of goods in places other than these, shall be laid down with regulations.

The procedures regarding the courier bags shall be determined together by the Ministry of National Defense and Ministry of Foreign Affairs, and the Undersecretariat for Customs.

2. The declarant shall bear the cost of transport of the goods to the places where they are to be examined and samples are to be taken, and all the handling necessitated by such examination or taking of samples.

3. The declarant shall be entitled to be present when the goods are examined and when samples are taken. Where they deem it appropriate, the customs administrations shall require the declarant to be present or represented when the goods are examined or samples are taken in order to provide them with the assistance necessary to facilitate such examination or taking of samples.

4. Provided that samples are taken in accordance with the provisions in force, the customs administrations shall not be liable for payment of any compensation in respect thereof but shall bear the costs of their analysis or examination. However, where the customs laboratories prove insufficient, the declarant shall bear the costs of the analysis or examination performed outside.

5. The samples remaining from the analysis, in the case they are not taken back within one month after the results have been stated to the person concerned, shall be deemed to be left to the customs.

6. The procedures and principles regarding laboratory analysis shall be laid down by regulation.

ARTICLE 67- 1. Where a declaration form covers only one item and only part of the goods covered by the declaration are examined, the results of the partial examination shall be taken to apply to all the goods covered by that declaration.

However, the declarant may request examination of the entire goods if he considers that the results of the partial examination are not valid as regards the remainder of the goods declared.

2. Where a declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration. The deficiency or excess in an item can not be passed on the account of the deficiency or excess in another one.

The goods covered in the divisions of the same tariff heading in the Turkish Customs Tariff and subject to the same autonomous or conventional duty rates shall be taken as one single item.

ARTICLE 68- 1. The customs administrations shall take the measures necessary to identify the goods where identification is required in order

to ensure compliance with the conditions governing the customs procedure for which the said goods have been declared.

2. Means of identification such as labels, seals or the like affixed to the goods or means of transport shall be removed or destroyed only by the customs administrations or with their permission unless, as a result of unforeseeable circumstances or force majeure, their removal or destruction is essential to ensure the protection of the goods or means of transport.

ARTICLE 69- 1. Where the conditions for placing the goods under the procedure in question are fulfilled and provided the goods are not subject to any prohibitive or restrictive measures, the customs administrations shall release the goods as soon as the particulars in the declaration have been verified or where appropriate without verification. However, where such verification cannot be completed within a reasonable period of time and the goods are no longer required to be present for verification purposes, customs administrations shall release the goods.

The procedure and principles regarding the goods subject to prohibitive or restrictive measures shall be determined by regulation.

2. All the goods covered by the same declaration shall be released at the same time.

For the purposes of this paragraph, where a declaration form covers two or more items, the particulars relating to each item shall be deemed to constitute a separate declaration.

3. Where registration of a customs declaration gives rise to a customs debt, the goods covered by the declaration shall not be released unless the customs debt has been paid or secured. However, this provision shall not apply to the temporary importation procedure with partial relief from import duties.

4. Where, pursuant to the provisions governing the customs procedure for which the goods are declared, the customs administrations require the provision of a security, the said goods shall not be released until such security is provided.

ARTICLE 70- 1. Where goods cannot be released within the period laid down in Article 46 for reasons attributable to the declarant, because:

(a) it has not been possible to start or continue examination of the goods;;

(b) the documents which must be produced before the goods can be placed under the customs procedure requested have not been produced;

(c) payments or security which should have been made or provided in respect of import duties or export duties, as the case may be, have not been made or provided;

the goods shall be examined. As a result of examination, the situation in which a fine or other proceedings are required or not shall be laid down by a statement and afterwards, subject to Articles 177 to 180 the goods shall be disposed of.

2. For goods stored in customs warehouses, in the case a declaration of release for free circulation is submitted, the customs procedures shall be fulfilled within 30 days following the registration of the declaration. The

provisions in paragraph 1 shall apply to the goods of which the customs procedures have not been fulfilled within the given period.

II. Simplified Procedure

Article 71-1. In order to simplify the completion of the formalities and the procedures as far as possible while ensuring that the customs operations are conducted in a proper manner in accordance with the provisions in force, the customs administrations shall, under conditions laid down in the regulations, grant permission;

(a) The declaration referred to in Article 60 to omit the certain documents that have to accompany and certain information that has to be recorded.

(b) a commercial or administrative document, accompanied by the request for the goods to be placed under the related customs procedure in question, to be lodged instead of the above-mentioned declaration,

(c) the goods to be entered for the related customs procedure by means of the entry in the records.

Where subparagraph (c) is applied, the declarant may be relieved from the requirements of presentation of the goods to the customs.

The declaration made through the simplified procedure, commercial or administrative document or entry in the records must contain at least the information necessary for the identification of the goods. Where the goods are entered in the records, the date of such entry must be included.

2. The declarant shall make a complementary declaration which may be of a general, periodic or recapitulative nature. The situations where the requirement for a complementary declaration will be waived shall be determined by regulation.

3. Complementary declarations and the declarations referred to in subparagraphs 1 (a), (b) and (c) shall be deemed to constitute a single, indivisible instrument taking effect on the registration of the simplified declarations. In the cases referred to in subparagraph 1 (c), entry in the records shall have the same legal force as registration of the declaration referred to in Article 60.

B. Other Declarations

ARTICLE 72- In the following cases, the official letters of the authorities shall be accepted as a declaration and the customs formalities of the goods shall be performed on the basis of these letters.

(a) The letters to be sent by the Secretariat General of Presidency, regarding the personal and household belongings of the President of the Republic,

(b) On condition of mutuality, the letters sent by the mission chiefs or the delegation heads holding an exemption right, regarding the goods to be released only in the name of the person who holds the diplomatic exemption and privilege rights or in the name of the Embassy; and the courier letters of courier bags.

The form, the information to be included and the operations to be fulfilled shall be determined jointly by the Ministry of Foreign Affairs and the Undersecretariat for Customs.

C. Post-Clearance Examination of the Declaration

ARTICLE 73-1. The customs administrations may, after releasing the goods and in order to satisfy themselves as to the accuracy of the particulars contained in the declaration, inspect the commercial documents and data relating to the import or export formalities in respect of the goods concerned or to subsequent commercial formalities involving those goods. Such inspections may be carried out at the premises of the declarant, of any other person directly or indirectly involved in the said operations in a business capacity or of any other person in possession of the said document and data for business purposes. Where appropriate the goods may be examined.

2. The customs administrations may, on their own initiative or at the request of the declarant, amend the declaration after release of the goods in accordance with the methods and principles laid down by regulation.

3. Where revision of the declaration or post-clearance examination indicates that the provisions governing the customs procedure concerned have been applied on the basis of incorrect or incomplete information, the customs administrations shall, without prejudice to the penalty provisions laid down in this Law, take the necessary measures to amend the declaration taking account the new findings available.

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SECTION 2

Release For Free Circulation

ARTICLE 74- Release for free circulation of the goods that came to the Customs territory of Turkey shall entail application of commercial policy measures, completion of the other formalities laid down in respect of the importation of goods and the charging of any duties legally due.

ARTICLE 75-1. Provided that, except the agricultural fiscal obligations, the rate of duty is reduced after the date of declaration for release for free circulation but before the payment or securing the customs duties, the declarant may request the application of the favorable rate.

2. Paragraph 1 shall not apply where it has not been possible to complete the customs formalities for reasons attributable to the declarant.

ARTICLE 76- Where the goods covered one single bill of lading falling within different tariff classification, and dealing with each of those goods in accordance with its tariff classification for the purpose of drawing up the declaration would entail a burden of additional work and expense disproportionate to the import duties chargeable, the customs administrations may, at the request of the declarant, agree that import duties be charged on the whole consignment on the basis of the tariff classification of the goods which are subject to the highest rate of import duty.

ARTICLE 77-1. The customs supervision of the goods released for the free circulation at a reduced or zero rate of duty because of special purposes, shall end with the production or use that is accepted as the end-use. Furthermore, the customs supervision shall also end when the condition laid down for granting such a reduced or zero rate of duty cease to exist where the goods are exported or destroyed or where the use of the goods for

purposes other than those laid down for the application of the reduced or zero rate of duty is permitted subject to payment of the duties due.

2. Article 81 (2) or Article 83 shall be apply, where appropriate, to the goods released for free circulation by virtue of end-use.

ARTICLE 78- Goods released for free circulation shall lose this status where;

- (a) The declaration for release for free circulation is invalidated,
- (b) The customs duties payable on the goods which are exported after an operation under the inward processing procedure applying the drawback system, are repaid or remitted,
- (c) The customs duties of defective goods or goods which fail to comply with the terms of the contract pursuant to the Article 213 are repaid or remitted,
- (d) In accordance with the Article 214, the customs duties are repaid or remitted because of the exportation, re-exportation or assignment of a customs-approved treatment or use.

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SECTION 3

Suspensive Arrangements and Customs Procedure With Economic Impact

A. Common Provisions

ARTICLE 79- 1. For the purpose of Articles 80 to 83;

(a) Where the term "procedure" is used, it is understood as applying, in the case of the goods that are not in free circulation, to the following arrangements:

- Transit,
- Customs Warehousing,
- Inward processing in the form of a system of suspension,
- Processing under customs control,
- Temporary importation,

(b) Where the term "customs procedure with economic impact" is used, it is understood as applying to the following arrangements:

- Customs warehousing,
- Inward processing,
- Processing under customs control,
- Temporary importation,
- Outward processing.

2. "Import goods" means goods placed under a suspensive procedure and goods which, under the inward processing procedure in the form of the drawback system, have undergone the formalities for release for free circulation and the formalities provided for in Article 118.

3. "Goods in the unaltered state" means import goods which, under the inward processing or the processing under customs control procedures, have undergone no form of processing.

ARTICLE 80- 1. Rules and principals relating to the inward processing and outward processing procedures shall be determined by the Council of Ministers.

2. Without prejudice to the special conditions governing the procedure in question, the authorization related to the use of the procedures with economic impact and the authorization to operate the customs warehouse referred to in subparagraph 1 of the Article 95 shall be granted only;

(a) Where guarantees and undertakings necessary for the proper conduct of the operations are granted;

(b) Where the administrative arrangements that customs administrations must introduce for supervising or monitoring the procedure in question is proportionate to the economic objectives targeted by that procedure

ARTICLE 81-1. The conditions under which the procedure in question is used shall be set out in the authorization. The holder of the authorization shall notify the relevant authorities of all factors arising after the authorization was granted which may influence its continuation or content

2. Placing the goods under a suspensive arrangement shall be depended upon securing the customs debts of all kind may be incurred in respect of those goods.

ARTICLE 82- A suspensive arrangement with economic impact shall be discharged when a new customs-approved treatment or use is assigned either to the goods placed under that arrangement, equivalent or processed products placed under it.

Customs administrations shall, where a procedure is not ended under the circumstances provided, apply the penalty provisions laid down in Title XI.

ARTICLE 83- The rights and liabilities of the holder of a customs procedure with economic impact, may, on the conditions laid down by regulation, be transferred successively to other persons who fulfil conditions in order to benefit from the procedure in question. The new right holder may transfer his right to other persons who fulfil the same conditions.

B. Transit Procedure

I. General Provisions

ARTICLE 84-1. The movement under the customs supervision, within the Customs Territory of Turkey from one point to another, of the goods whose customs formalities of exportation are not completed, and of the goods not in free circulation, which have not been subject to import duties and other charges or to commercial policy measures, shall be subject to the provisions of transit procedure.

2. Customs administrations shall grant permission of the goods placed under the transit procedure in Customs Territory of Turkey from;

- (a) A foreign country to a foreign country,
- (b) A foreign country to Turkey,
- (c) Turkey to a foreign country,

(d) An inland customs to another inland customs.

3. Movement as referred to in paragraph 1 shall take place:

- (a) Under the transit procedure,
- (b) Under cover of a TIR carnet,
- (c) Under cover of an ATA carnet used as a transit document,
- (d) Under cover of the form 302 provided for in the Convention between the Parties to the NATO Atlantic Treaty Regarding the Status of Forces signed in London on 19 June 1951,
- (e) By postal way including postal packages,
- (f) Goods covered by a summary declarations carried out by sea or air from a Turkish port to another Turkish port or to a port outside the Customs Territory of Turkey,
- (g) Goods, covered by a declaration to be transited in accordance with the provisions laid down in Articles 55 to 70, by dislodging from the customs warehouses or the places permitted by customs administrations.

4. The transit procedure shall end when the goods and the corresponding documents are produced at the customs office of destination in accordance with the provisions of the procedure in question.

5. The transit procedure shall apply without prejudice to the specific provisions applicable to the movement of goods placed under a customs procedure with economic impact. Without being dependent on the provisions hereunder, the Undersecretariat shall be authorized to make arrangements relating to the nature and type of goods and nature of movement or within the framework of the liabilities of Turkey that have arisen from the international agreements.

II. Specific Provisions

ARTICLE 85- A guarantee shall be provided in order to ensure payment of any customs debt or other charges which may be incurred in respect of the transit goods.

However, except in cases to be determined by relevant regulation, no guarantee need to be furnished for;

- (a) carriage by sea and air
- (b) carriage by pipelines
- (c) carriage by railways.

ARTICLE 86- 1. The principal under the transit procedure shall be liable to present the goods intact and without any deficiency at the customs administration of destination within the prescribed time limit and by complying with the measures adopted by the customs administrations to ensure identification, and to fulfill the provisions relating to transit procedure.

2. Notwithstanding the principal's obligations under paragraph 1, a carrier or recipient of goods who accepts goods knowing that they are moving under transit procedure shall also be responsible for presentation of the goods intact and without any deficiency at the customs administration of destination by the prescribed time limit and by fulfilling the measures adopted by the customs administration to ensure identification.

ARTICLE 87-1. The detailed rules for the functioning of the transit procedure and the exemptions shall be determined by regulation.

2. It is possible that the goods subject to transit procedure may be transhipped or stored for a while in customs warehouses that are under the

supervision of the customs administrations or in the places permitted by customs administrations.

III. Customs Formalities Relating Transit

ARTICLE 88-1. Goods under transit procedure shall, excepting the cases of suspicion or denunciation, be directed to customs administrations of entry or exit, without being examined. Where deemed necessary, they shall be directed by affixing the seal or they shall be accompanied by customs officials.

2. Where deemed necessary, goods carried under transit procedure from warehouses or other places permitted by customs administrations shall be examined. Having secured the customs duties, the examination of goods to be carried under this procedure shall be made in accordance with the provisions of Articles 61 to 70. The holder of the procedure, his representative or the persons responsible for the transportation of goods may be present during the examination of goods subject to this Article.

ARTICLE 89- In the cases covered in Article 55 (2) and Article 56 (1), the Undersecretariat is authorized to adopt regulations regarding the examination of goods under transit procedure, providing security, consignment accompanied by officials and taking other measures.

ARTICLE 90- In the case denunciation is made on or suspicion arisen against a ship on the territorial waters of Turkey, the doors of store-houses or similar places where goods are stored may be sealed by the customs administrations. Such ships may be accompanied by officials or externally observed while sailing.

The measures set above shall be ceased from when the ship leaves the territorial waters of Turkey.

ARTICLE 91- The Undersecretariat is authorized to adopt regulations regarding the transit periods, the routes, the control points and the halting-places of the means of land transportation carrying goods under transit procedure within the Customs Territory of Turkey,

ARTICLE 92- 1. Where, by reason of unforeseeable circumstances or force majeure, a means of transport carrying goods under transit procedure cannot go on its way, the nearest customs administration shall be informed of this situation without delay.

The transshipment of goods from the said vehicle to another one shall be performed under the supervision of the customs administrations and this situation shall be registered by a report.

2. Where, by reason of unforeseeable circumstances or force majeure, goods under transit procedure within the Customs Territory of Turkey are destroyed or lost, the customs duties shall not be demanded. The destruction or loss of goods by the reasons above shall be verified by a judicial decision where the administration is a party.

However, the destruction or loss shall be verified:

a) by a report from the Prosecutor of the Republic, following the preparatory investigations, in the cases of theft in the very act.

b) by a report from the civil public authority of the highest rank in the very place; in the case the damage, destruction or loss has been because of other incident known and heard by public.

c) by the decision of the head of customs administration taken in accordance with the traffic accident reports and the findings of the nearest customs administration, in the cases of traffic accidents.

C. Customs Warehousing Procedure

ARTICLE 93-1. The customs warehousing procedure shall allow the storage in a customs warehouse of:

a) the goods not in free circulation, without such goods being subject to import duties or commercial policy measures,

b) the goods whose being placed in a customs warehouse shall attract the application of measures normally attaching to the export of such goods.

2. The warehousekeeper is the person authorized to operate the customs warehouse.

The depositor shall be the person bound by the declaration placing the goods under the customs warehousing procedure or to whom the rights and obligations of such a person have been transferred.

3. Customs warehouse means the place established for storing the goods that is under and by the supervision of the customs administrations and established under the conditions laid down in accordance with the regulations.

4. Cases in which the goods referred to in paragraph 1 being stored in places other than customs warehouses, however accepted as customs warehouses by the customs administrations, may be placed under the customs warehousing procedure shall be determined by regulation.

ARTICLE 94- 1. A customs warehouse may be a public warehouse or a private warehouse.

(a) "Public warehouse" means a customs warehouse available for use by any person for the warehousing of goods.

(b) "Private warehouse" means a customs warehouse reserved for only the warehousing of goods by the warehousekeeper.

2. Inflammables and explosives or goods which constitute a hazard, which are likely to affect other goods aside or which require special installations or buildings shall be accepted only by public or private warehouses appropriate for their characteristics. Such goods shall be determined by regulation.

3. The fairs and exhibitions where goods not in free circulation are exhibited shall be deemed as private warehouses.

ARTICLE 95-1. Operating a customs warehouse shall be subject to the issue of an authorization by Undersecretariat for Customs where the customs administrations are not operating a customs warehouse themselves or existing warehouses prove insufficient. Conditions for issuing authorization shall be determined by a regulation issued by the Council of Ministers.

2. Any person wishing to operate a customs warehouse shall make a request in writing including the information required for granting the authorization, in particular, demonstrating that an economic need for

warehousing exists. The authorization shall lay down the conditions for operating a customs warehouse.

3. Authorization shall be issued only to persons established in Turkey.

4. The rights and obligations of a warehousekeeper may, under the authorization of Undersecretariat for Customs, be transferred to another person.

ARTICLE 96- The warehousekeeper shall be responsible for:

(a) ensuring that while the goods are in the customs warehouse they are not removed from customs supervision;

(b) fulfilling the obligations that arise from the storage of goods covered by the customs warehousing procedure;

(c) complying with the particular conditions specified in the authorization.

ARTICLE 97- 1. By way of derogation from Article 96, where the authorization is granted to operate a public warehouse, it may be provided that the responsibilities referred to in Article 96 (a) or (b) devolve directly upon the depositor.

2. The depositor shall in any case be responsible for fulfilling the obligations arising from the placing of goods under the customs warehousing procedure.

ARTICLE 98- Without prejudice to Article 81 (2), the customs administrations shall demand that the warehouse-keeper provide a guarantee in connection with the responsibilities specified in Article (96) subject to conditions laid down by regulation.

However, a guarantee shall not be demanded for the goods; placed in exhibitions and fairs or, exempt from import duties or, stored in warehouses in order to be exported .

Even where guarantee has been provided; goods shall not, entirely or partially, be allowed from warehouses before the customs procedures are started, finished and an authorization is given by the customs administration.

ARTICLE 99- Warehousekeeper shall keep stock records of all the goods placed under the warehousing procedure when they are brought into the customs warehouse. Stock records of all the goods in warehouses that are not operated by customs administrations shall be kept by the warehousekeeper. These records should, at all times, be ready to be inspected by customs administration. The methods and principles regarding the said stock records and the stock records mentioned in Article 100 shall be determined by regulation.

ARTICLE 100- Even where the goods are not subject to customs warehousing procedure, where an economic need exists and customs supervision is not adversely affected, under the conditions laid down by Undersecretariat for Customs, customs administrations may allow:

(a) Goods in free circulation other than those to be exported to be stored on the premises of a customs warehouses,

(b) Goods not in free circulation to be processed on the premises of a customs warehouse under the inward processing or processing under the customs control procedures.

ARTICLE 101- 1. There shall be no limit to the length of time goods may remain under the customs warehousing procedure. However, in cases deemed necessary by the customs administrations, they may set a time limit by which the depositor must assign the goods a new customs-approved treatment or use.

2. Specific time limits for the agricultural goods which are able to benefit from the measures of exportation may be laid down by the Undersecretariat.

ARTICLE 102- 1. Import goods may undergo the usual forms of handling, the rules of which are laid down by regulation, intended to preserve them, improve their appearance or marketable quality or prepare them for distribution or resale.

The forms of handling may be restricted for the agricultural products may be drawn up by the Undersecretariat in order to ensure the smooth operation of the organization of the market.

2. The forms of handling applicable to the goods, which are able to benefit from the measures of exportation and are placed under the warehousing procedure shall be set by regulation

3. The forms of handling provided for in this Article may be performed in accordance with the permission of customs administrations.

ARTICLE 103- 1. Under the authorization of the customs administrations, goods placed under the customs warehousing procedure may be temporarily removed from the customs warehouse.

While they are outside the customs warehouse, the goods may undergo the forms of handling referred to in Article 102 on the conditions set out therein.

2. The customs administrations may allow goods placed under the customs warehousing procedure to be transferred from one customs warehouse to another.

ARTICLE 104- 1. Where a customs debt is incurred in respect of import goods, the cost of warehousing and of preserving goods while they remain in the warehouse, needs not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

2. Where the said goods have undergone the usual forms of handling within the meaning of Article 102, the nature of the goods, the customs value and the quantity to be taken into account in determining the amount of import duties shall, at the request of the declarant, be those which would be taken into account for the goods, at the time referred to in Article 193, as if they had not undergone such handling. However, derogation from this provision may be adopted by the Undersecretariat.

3. Where, in accordance with subparagraph (c) of paragraph 1 of Article 71, import goods are released for free circulation without being presented to customs and before the corresponding declaration is lodged, and the duties of those goods were assessed on the basis of the duty rates and other taxation elements in force at the time when the goods were placed under the customs warehousing procedure. This provision shall be valid only

where the taxation elements such as the nature, customs value and quantity of the goods have been determined on the date when they were placed under a customs procedure.

However, where the declarant requests that the procedure should be fulfilled in accordance with the state, quality and other taxation elements of the goods that were in force on the registration date of the declaration, the procedures shall be fulfilled accordingly.

Subject to Article 73, the provisions of a post-clearance examination shall not be prejudiced.

ARTICLE 105- 1. At the end of each year, the warehousekeepers of public and private warehouses shall submit a list to the customs administration regarding the inventory of the warehouses. Each year, the goods in public and private warehouses shall be counted by the customs administration taking into consideration the lists submitted by the warehousekeepers. In cases the goods in public warehouses are too many to count, they can be counted by the customs administrations by the sampling method.

2. The customs duties of the goods which prove missing as a result of the count in the warehouses shall be collected from, depending on the situation, the warehousekeeper or the depositor.

3. The goods which prove excess as a result of the count in the warehouses shall be recorded. Unless the customs administration deem this excessiveness results from an acceptable reason, the said goods shall be disposed of in accordance with Articles 177 to 180.

ARTICLE 106 - 1. The warehousekeepers and, subject to Article 97 (1), the depositors shall be liable against the customs administrations for the goods stored in the warehouses in accordance with the quantity ascertained by the customs administrations. When not ascertained, the quantity recorded in their documents shall be used.

2. Customs duties shall not be demanded; in the case of loss and deficiency as a result of the characteristics of the good or of the processes made under the supervision of the customs administration; in the case of destruction, loss or theft for which the warehousekeepers and depositors are demonstrated to the customs administration that they not faulty.

Where goods are insured in accordance with their values including all customs duties and charges, the duties of the missing goods shall be collected from the person who has insured the goods or had them insured in his favor.

3. No missing shall be accepted resulting from situations other than covered in paragraph 1 or 2. The total amount of the duties and fines regarding these shall be repaired by the warehousekeepers or depositors, depending on the situation.

4. The Undersecretariat shall, after consulting with the relevant bodies, determine the loss rates of the goods which are lost in the warehouses or during transfers between warehouses as a result of their characteristics; and goods which diminish as a result of permitted handling performed in the warehouses.

ARTICLE 107- The export goods to be covered by measures regarding exportation and to be placed under customs warehousing procedure should be

exported or to be placed under another customs-approved treatment or use covered by this law.

- D. Inward processing
- I. General provisions

ARTICLE 108- 1. Goods not in free circulation intended for re-export from the Customs Territory of Turkey in the form of compensating products, without such goods being subject to import duties or commercial policy measures and after having them covered under a security, can be imported temporarily under the inward processing procedure. When the goods are exported in the form of compensating products, the security shall be returned. The inward processing relief arrangements as provided, shall be termed the suspension system.

2. In the case goods released for free circulation are exported from the Customs Territory of Turkey in the form of compensating products, the import duties collected while they were released for free circulation shall be returned under the inward processing procedure. The inward processing relief arrangements as provided, shall be termed the drawback system.

3. "Processing operations" shall mean:

- (a) the working of goods, including erecting or assembling them or fitting them to other goods;
- (b) the processing of goods;
- (c) the repair of goods, including restoring them and putting them in order; and
- (d) the use of certain goods defined in advance which are not to be found in the compensating products, but which allow or facilitate the production of those products, even if they are entirely or partially used up in the process.

4. "Compensating products" shall mean all products resulting from processing operations.

5. "Primary compensating products" shall mean the products intended to be obtained under the inward processing procedure.

6. "Secondary compensating products" shall mean the products other than the primary products obtained as a result of processing operations.

7. "Equivalent goods" shall mean goods in free circulation, which are used instead of the import goods for the manufacture of compensating products.

8. "Rate of yield" shall mean the quantity or percentage of compensating products obtained from the processing of a given quantity of import goods.

ARTICLE 109- The customs administrations may allow compensating products to be obtained from equivalent goods; or compensating products obtained from equivalent goods to be exported from the Customs Territory of Turkey before release for free circulation of the import goods. Prohibitions or restrictions may be adopted for the use of equivalent goods.

Equivalent goods must be of the same quality and have the same characteristics as the import goods. However, in specific cases determined, equivalent goods may be allowed to be more qualified at a more advanced stage of manufacture than the import goods.

Where compensating goods are obtained from equivalent goods, the import goods shall be regarded for customs purposes as equivalent goods and the equivalent goods as import goods.

Where compensating products obtained from equivalent goods liable to export duties are exported instead of goods not yet imported, the holder of the authorization shall provide a security to ensure payment of the export duties should the import goods not be imported within the period prescribed.

II. Grant of the Authorization

ARTICLE 110-1. The inward processing authorization may be issued, in accordance with Article 80, at the request of the person who carries out processing operations or who arranges for them to be carried out.

2. The inward processing authorization shall be granted only;

(a) To persons established in the Customs Territory of Turkey;

(b) Except the use of the goods referred to in Article 108 (3) (d), where import goods can be identified as compensating products or, in the case referred to in Article 109, where compliance with the conditions laid down in respect of equivalent goods can be verified;

(c) Where the inward processing procedure can help create the most favorable conditions for the export or re-export of compensating products, provided that the essential economic interests of the producers in the Customs Territory of Turkey are not adversely affected.

3. It is possible to grant the authorization to persons established outside the Customs Territory of Turkey in respects of importation of goods of non-commercial nature under inward processing procedure.

III. Operation of the Procedure

ARTICLE 111-1. The customs administrations shall specify the period within which the compensating products must have been exported or re-exported or assigned another customs-approved treatment or use. That period shall take account of the time required to carry out the processing operations and dispose of the compensating products.

2. The period shall run from the date on which the authorization for inward processing procedure of goods not in free circulation is granted and end on the last day of the last month within the period. This period and the extended periods shall be determined by the Decree of the Council of Ministers.

3. Where the compensating products obtained from equivalent goods are exported before the importation of the import goods, the period for the procedure declaration shall be specified by the Council of Ministers. The period shall run from the date of registration of the export declaration relating to the compensating products obtained from the relevant equivalent goods.

ARTICLE 112-1. The rate of yield of the goods under the inward processing procedure or where appropriate, the method of determining that rate shall be determined on the basis of the actual circumstances in which the processing operation is, or is to be, carried out.

2. In case of processing operation customarily carried out under specific technical conditions involving goods of substantially essential characteristics and resulting in the production of compensating products of uniform quality, the standard rates of yield determined in accordance with the views of the relevant bodies may be set on the basis of actual data previously ascertained.

ARTICLE 113- The cases in which and the conditions under which goods in the unaltered state or compensating products shall be considered to have been released for free circulation may be determined in accordance with the provisions laid down regarding the release for free circulation procedure.

ARTICLE 114-1. Without prejudice to Article 115, where a customs debt is incurred under the inward processing procedure, the amount of customs debts shall be determined on the basis of the duty rate and other taxation elements appropriate to the import goods at the time of registration of the declaration of placing of these goods under the inward processing procedure.

2. If at the time of registration of the declaration of placing the goods under the inward processing procedure, the import goods fulfilled the conditions to qualify for preferential tariff treatment within tariff quotas or ceilings, they shall be eligible for any preferential tariff treatment existing in respect of identical goods at the time of registration of the declaration of release for free circulation.

ARTICLE 115- (a) In the cases where, as a result of the processing operations appearing on the list adopted in accordance with the views of the relevant bodies, secondary compensating products appearing on the said list are obtained together with the primary compensating product, and these secondary compensating products are released for free circulation; the import duties and other taxation elements shall be assessed on the basis of the duty rates in force on the date when the declaration regarding the release for free circulation of the secondary compensating products in accordance with the exported part of the primary compensating products was accepted. However, the holder of the authorization may ask for the duty on those products to be assessed in the method referred to in Article 114;

The procedure and principles regarding the taxation of the compensating products subject to charges established under the agricultural policy shall be adopted by the Council of Ministers.

(b) Goods shall be subject to import duties assessed in accordance with the rules applicable to the customs procedure in question or to free zones where they have been placed under a suspensive arrangement or in a free zone;

However, in cases where the compensating products have been assigned a customs-approved treatment or use referred to above other than processing under customs control, the amount of the import duty levied shall be at least equal to the amount calculated in accordance with Article 114.

The person concerned may request that duty be assessed in accordance with Article 114.

(c) Compensating goods shall be made subject to the rules governing assessment of duty laid down under the procedure for processing under customs control where the import goods could have been placed under that procedure;

(d) Compensating goods shall enjoy favorable tariff treatment when an application of reduced or zero rate import duty is provided by virtue of their end-use for specific purposes;

(e) Compensating goods shall benefit from the exemptions where the import goods in question are exempt from import duties pursuant to Article 167.

IV. Processing operations outside the Customs Territory of Turkey

ARTICLE 116-1. Some or all of the compensating products or goods in the unaltered state may be temporarily exported for the purpose of further processing outside the Turkish Customs if the customs administration so authorizes, in accordance with the conditions laid down in the outward processing provisions.

2. Where a customs debt is incurred in respect of reimported products, the following shall be charged:

(a) import duties on the compensating products or goods in the unaltered state referred to in paragraph 1, calculated in accordance with Articles 114 and 115;

(b) import duties on products reimported after processing outside the Customs Territory of Turkey, the amount of which shall be calculated in accordance with the provisions relating to the outward processing procedure.

V. Benefiting from the drawback system

ARTICLE 117- 1. The drawback system may be used for all goods, with the exception of those which, at the time the declaration of release for free circulation is registered:

(a) are subject to quantitative import restrictions,

(b) might, within quotas, qualify for a preferential tariff measure or a specific suspension arrangement within the meaning of Article 15 (3) (d), (e) and (f),

(c) are subject to the import duties provided for under the agricultural policy or under specific arrangements applicable to certain goods resulting from the processing of agricultural products.

2. Moreover, the drawback system may be used only if no export refund has been set for the compensating products at the time the declaration of release for free circulation of the import goods is registered

3. Permission to use the drawback system shall be granted only if, at the time the declaration of exportation of the compensating products is registered:

(a) the import goods are not subject to one of the charges referred to in the subparagraph 3 of paragraph 1,

(b) no export refund has been set for the compensating products.

ARTICLE 118 The declaration of release for free circulation shall indicate that the drawback system is being used and shall provide particulars of the

authorization. Moreover, a copy of the said authorization shall be attached to the declaration of release for free circulation.

ARTICLE 119- Under the inward processing procedure applying the drawback, the following provisions shall not apply:

(a) Compensating products obtained from equivalent goods shall be exported from the Customs Territory of Turkey before import goods are released for free circulation,

(b) The import goods shall be regarded for customs purposes as equivalent goods and the equivalent goods as import goods where compensating goods are obtained from equivalent goods,

(c) Where compensating products obtained from equivalent goods subject to export duties are exported, the holder of the authorization shall provide the security to ensure payment of duties should the import goods not be imported within the period prescribed instead of goods not imported yet,

(d) The provisions of Articles 113, 114 and 122, and second indent of 115 (a), and (c).

ARTICLE 120- Temporary exportation for further processing of compensating products or goods in the unaltered state in accordance with the conditions laid down in the outward processing provisions shall not be considered to be exportation within the meaning of Article 121 except where such products are not reimported into the Customs Territory of Turkey within the period prescribed.

ARTICLE 121- 1. The holder of the authorization may ask for the import duty to be repaid or remitted on condition that he complies with the other rules of this procedure and demonstrate that compensating products or goods in the unaltered state obtained from import goods released for free circulation under the drawback system have been either:

(a) exported,

(b) placed, with a view to being subsequently re-exported, under the transit procedure, the customs warehousing procedure, the temporary importation procedure or the inward processing procedure (suspensive arrangement),

(c) placed in a free zone,

provided that documentation and all conditions for use of the procedure have also been fulfilled.

2. For the purposes of being assigned a customs-approved treatment or use referred to in the second subparagraph of paragraph 1, compensating products or goods in the unaltered state shall be considered to be goods not in free circulation.

3. The period within which the application for repayment must be made shall be determined in the related Decree of the Council of Ministers.

4. Without prejudice to Article 115 (b), compensating products or goods in the unaltered state placed under a customs procedure or in a free zone in accordance with the provisions of paragraph 1 shall be released for free circulation in line with the regulation. In this case, the amount of import

duties repaid or remitted in accordance with the provisions in paragraph 1 shall be considered to constitute the amount of the customs duties.

5. For the purpose of determining the amount of import duties to be repaid or remitted, the first indent of Article 115 (a) shall apply mutatis mutandis.

VI. Other provisions

ARTICLE 122- Within the inward processing procedure applying the suspension system, where the exported compensating products are obtained from equivalent goods subject to export duties, the equivalent good in question shall be exempt from the export duties.

E. Processing under customs control

ARTICLE 123- 1. The procedure for processing under customs control shall allow goods not in free circulation to be used in the Customs Territory of Turkey in operations which alter their nature or state, without their being subject to import duties or commercial policy measures, and shall allow the products resulting from such operations to be released for free circulation at the rate of import duty appropriate to them. Such products shall be termed processed products.

2. The list of cases in which the procedure for processing under customs control may be used shall be determined by regulation.

ARTICLE 124- 1. Authorization for processing under customs control shall be granted by the customs administrations at the request of the person who carries out the processing or arranges for it to be carried out.

2. Authorization shall be granted only to persons established in the Customs Territory of Turkey;

(a) where the import goods can be identified in the processed products;

(b) where the goods cannot be economically restored after processing to their description or state as it was when they were placed under the procedure;

(c) where use of the procedure cannot result in circumvention of the effect of the rules concerning origin and quantitative restrictions applicable to the imported goods;

(d) where the necessary conditions for the procedure to help create or maintain a processing activity without adversely affecting the essential interests of producers of similar goods in Turkey (economic conditions) are fulfilled.

ARTICLE 125- The periods and rates of yield regarding the procedure for processing under customs control shall be determined by regulation in accordance with the provisions of Articles 111 and 112.

ARTICLE 126- Where a customs duty is incurred in respect of goods in the unaltered state or of products that are at an intermediate stage of processing as compared with that provided for in the authorization, the amount of that debt shall be determined on the basis of the items of charge elements in force appropriate to the import goods at the time of registration of the declaration relating to the placing of the goods under the procedure for processing under customs control.

ARTICLE 127- 1. Where the import goods qualified for preferential tariff treatment when they were placed under the procedure for processing under customs control, and such preferential tariff treatment is applicable to products identical to the processed products released for free circulation, the import duties to which the processed products are subject shall be calculated by applying the rate of duty applicable under that treatment.

2. If the preferential tariff treatment referred to in paragraph 1 in respect of the import goods is subject to tariff quotas or tariff ceilings, the application of the rate of duty referred to in paragraph 1 in respect of the processed products shall also be subject to the condition that the said preferential tariff treatment is applicable to the import goods at the time of registration of the declaration of release for free circulation. In this case, the quantity of import goods actually used in the manufacture of the processed products released for free circulation shall be charged against the tariff quotas and ceilings in force at the time of registration of the declaration of release for free circulation and no quantities shall be counted against tariff quotas or ceilings opened in respect of products identical to the processed products.

F. Temporary importation

ARTICLE 128 The temporary importation procedure shall allow the use in the Customs Territory of Turkey, with total or partial relief from import duties and without their being subject to commercial policy measures, of goods not in free circulation intended for re-export without having undergone any change except normal depreciation due to the use made of them.

ARTICLE 129- 1. Authorization for temporary importation shall be granted by the customs administrations at the request of the person who uses the goods or arranges for them to be used.

2. It shall be refused to authorize the use of the temporary importation procedure where it is impossible to ensure that the import goods can be identified. However, the customs administrations may authorize the use of the temporary importation procedure by securing a guarantee covering all duties, without ensuring that the goods can be identified where, in view of the nature of the goods or of the operations to be carried out, the absence of identification measures is not liable to give rise to any abuse of the procedure.

ARTICLE 130- 1. The Undersecretariat shall determine the period within which import goods must have been re-exported or assigned a new customs-approved treatment or use. Such period must be long enough for the objective of authorized use to be achieved.

2. Without prejudice to the special periods laid down in accordance with Article 131, the maximum period during which goods may remain under the temporary importation procedure shall be 24 months. The customs administrations may, however, determine shorter periods with the agreement of the person concerned.

3. However, where exceptional circumstances so warrant, the customs administrations may, at the request of the person concerned, extend the periods referred to in paragraphs 1 and 2 in accordance with the procedures and principles laid down by regulation.

ARTICLE 131 The case and the special conditions under which the temporary importation procedure may be used with total relief from import duties shall be determined by the Council of Ministers.

ARTICLE 132- 1. Use of the temporary importation procedure with partial relief from import duties shall be granted in respect of goods which, while remaining the property of a person established outside the Customs Territory of Turkey, are not covered by the provisions adopted in accordance with Article 131 or which are covered by such provisions but do not fulfil the conditions provided for therein for the grant of temporary importation with total relief.

2. The list of goods in respect of which the temporary importation procedure with partial relief from import duties may not be used shall be drawn up by the Council of Ministers.

ARTICLE 133- 1. The amount of import duties payable in respect of goods placed under the temporary importation procedure with partial relief from import duties shall be set at 3 %, for every month, of the amount of duties which would have been payable on the said goods had they been released for free circulation on the date on which the declaration of temporary importation procedure was registered.

The said duties shall be charged for every month during which the goods have been placed under this procedure and fractions of a month shall be taken as one full month.

2. The amount of import duties to be charged shall not exceed that which would have been charged if the goods concerned had been released for free circulation on the date on which they were placed under the temporary importation procedure, leaving out of account any interest which may be applicable.

3. In the case of transfer of the rights and obligations deriving from the temporary importation procedure pursuant to Article 83, without prejudice to Article 130 (b), the new holder of rights may use the remaining periods of time under the procedure.

4. Where the transfer referred to in paragraph 3 is made with partial relief for both persons authorized to use the procedure during the same month, the holder of the initial authorization shall be liable to pay the amount of import duties due for the whole of that month.

ARTICLE 134- 1. Where a customs debt is incurred in respect of import goods, the amount of such debt shall be determined on the basis of the taxation elements appropriate to those goods at the time of registration of the declaration of their placing under the temporary importation procedure. However, where a customs debt is incurred in respect of temporary import goods with total relief, the amount of the debt shall be determined on the basis of the duty rate and the taxation elements appropriate to the goods in question at the time referred to in Article 193.

2. Where, for a reason other than the placing of goods under the temporary importation procedure with partial relief from import duties, a customs debt is incurred in respect of goods placed under the said procedure, the amount of that debt shall be equal to the difference between the amount of duties calculated pursuant to paragraph 1 and that payable pursuant to Article 133.

G. Outward processing
I. General Provisions

ARTICLE 135- 1. The outward processing procedure shall, without prejudice to the provisions governing specific fields relating to the standard exchange system laid down in Articles 144 to 148 and to the provisions of Article 116, allow goods in free circulation to be exported temporarily from the Customs Territory of Turkey in order to undergo processing operations and the products resulting from those operations to be released for free circulation with total or partial relief from import duties.

2. Temporary exportation of goods in free circulation shall entail the application of export duties, commercial policy measures and other formalities for the exit of these goods from the Customs Territory of Turkey.

3. The following definitions shall apply:

(a) 'temporary export goods' means goods placed under the outward processing procedure;

(b) 'processing operations' means the operations referred to in Article 108 (3), subparagraphs (a), (b) and (c);

(c) 'compensating products' means all products resulting from processing operations;

(d) 'rate of yield' means the quantity or percentage of compensating products obtained from the processing of a given quantity of temporary export goods.

ARTICLE 136- The outward processing procedure shall not be open to goods in free circulation:

(a) whose export gives rise to repayment or remission of import duties,

(b) which, prior to export, were released for free circulation with total relief from import duties by virtue of end use, for as long as the conditions for granting such relief continue to apply,

(c) whose export gives rise to the granting of export refunds or in respect of which a financial advantage other than such refunds is granted under the agricultural policy by virtue of the export of the said goods.

Derogation from subparagraph (b) shall be determined by regulation.

II. Grant of the authorization

ARTICLE 137- 1. Authorization to use the outward processing procedure may be issued at the request of the person who arranges for the processing operations to be carried out in accordance with Article 80.

2. However, authorization to use the outward processing procedure may be granted to another person in respect of goods of Turkish origin where the processing operation consists in incorporating those goods into goods obtained outside Turkey and imported as compensating products, provided that use of the procedure helps to promote the sale of export goods without adversely affecting the essential interests of the producers of products identical or similar to the imported compensating products in Turkey.

ARTICLE 138- Authorization shall be granted only:

(a) to persons established in the Customs Territory of Turkey;

(b) where it is considered that it will be possible to establish that the compensating products have resulted from processing of the temporary export goods;

(c) where authorization to use the outward processing procedure is not liable seriously to harm the essential interests of the processors in Turkey (economic conditions).

The cases in which derogation from subparagraph (b) may apply and the conditions under which such derogation shall apply shall be determined in the relevant Decree of the Council of Ministers.

III. Operation of the procedure

ARTICLE 139 1. The authorization shall specify the period within which the compensating products must be reimported into the Customs Territory of Turkey. They may extend that period on submission of a duly substantiated request by the holder of the authorization.

2. The procedure and principles regarding the rate of yield of the operation or, where necessary, the method of determining that rate shall be determined in the relevant Decree of the Council of Ministers.

ARTICLE 140- 1. The total or partial relief from import duties provided for in Article 135 (1) shall be granted only where the compensating products are declared for release for free circulation in the name of or on behalf of the holder of the authorization, or any other person established in Turkey provided that that person has obtained the consent of the holder of the authorization and the conditions of the authorization are fulfilled.

2. The total or partial relief from import duties provided for in Article 135 (1) shall not be granted where one of the conditions or obligations relating to the outward processing procedure is not fulfilled unless it is established that the failures have no significant effect on the correct operation of the said procedure.

ARTICLE 141- 1. The import duties mentioned in Article 135 (1) shall be effected by deducting from the amount of the import duties applicable to the compensating products the amount of the import duties that would be applicable on the same date to the temporary export goods if they were imported from the country in which they underwent the last processing operation.

2. The amount to be deducted pursuant to paragraph 1 shall be calculated on the basis of the quantity and nature of the goods in question on the date of acceptance of the declaration placing them under the outward processing procedure and on the basis of the other elements of charge applicable to them on the date of registration of the declaration relating to the release for free circulation of the compensating products.

The customs value of the temporary export goods shall be that taken into account for those goods in determining the customs value of the compensating products in accordance with Article 27 (1) (b) (i). If the value cannot be determined in that way, the difference between the customs value of the compensating products and the processing costs determined by reasonable means shall be the value of the temporary export goods.

However,

a) certain charges determined in the regulations adopted by the Council of Ministers shall not be taken into account in calculating the amount to be deducted;

b) where, prior to being placed under the outward processing procedure, the temporary export goods were released for free circulation at a reduced rate by virtue of their end use, and for as long as the conditions for granting the reduced rate continue to apply, the amount to be deducted shall be the amount of import duties actually levied when the goods were released for free circulation.

3. Where temporary export goods could qualify on their release for free circulation for a reduced or zero rate of duty by virtue of their end use, that rate shall be taken into account provided that the goods underwent operations consistent with such an end-use in the country where the last processing operation took place.

4. Where compensating products qualify for a preferential tariff measure within the meaning of Article 15 (3) (d) or (e) and the measure exists for goods falling within the same tariff classification as the temporary export goods, the rate of import duty to be taken into account in establishing the amount to be deducted pursuant to paragraph 1 shall be that which would apply if the temporary export goods fulfilled the conditions under which that preferential measure may be applied.

5. This Article shall be without prejudice to the application of provisions, adopted or liable to be adopted within the framework of bilateral or multilateral trade agreements, which provide for relief from import duties in respect of certain compensating products.

ARTICLE 142- Where the purpose of the processing operation is the repair of the temporary export goods, they shall be released for free circulation with total relief from import duties where it is demonstrated that the goods were repaired free of charge, either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect. However, this provision shall not apply where account was taken of the defect at the time when the goods in question were first released for free circulation.

ARTICLE 143- Where the purpose of the processing operation is the repair export goods and such repair is carried out in return for payment, the partial relief from import duties provided for in Article 135 (1) shall be granted by establishing the amount of the duties applicable on the basis of the taxation elements pertaining to the compensating products on the date of registration of the declaration of release for free circulation of those products and taking into account as the customs value an amount equal to the repair costs, provided that those costs represent the only consideration provided by the holder of the authorization and are not influenced by any relationship between that holder and the operator.

IV. Outward processing with use of the standard exchange system

ARTICLE 144- 1. Under the conditions laid down in this Article and Articles 145 to 148 which are applicable in addition to the preceding provisions, the standard exchange system shall permit an imported product, hereinafter referred to as a 'replacement product', to replace a compensating product.

2. The customs administrations shall allow the standard exchange system to be used where the processing operation involves the repair of goods in free circulation other than those subject to the agricultural policy or to the

specific arrangements applicable to certain goods resulting from the processing of agricultural products.

3. Without prejudice to Article 148, the provisions applicable to compensating products shall also apply to replacement products.

4. Under the conditions laid down by the Undersecretariat and if a security is provided to cover the amount of import duties, replacement products may be permitted to be imported before the temporary export goods are exported.

ARTICLE 145- 1. Replacement products shall have the same tariff classification, be of the same commercial quality and possess the same technical characteristics as the temporary export goods had the latter undergone the repair in question.

2. Where the temporary export goods have been used before export, the replacement products must also have been used and may not be new products.

However derogation may be granted if the replacement product has been supplied free of charge either because of a contractual or statutory obligation arising from a guarantee or because of a manufacturing defect.

ARTICLE 146- In the case of prior importation, the temporary export goods shall be exported within a period of two months from the date of registration of the declaration relating to the release of the replacement products for free circulation.

However, where exceptional circumstances so warrant, the customs administrations may, at the request of the person concerned, extend within reasonable limits the said period.

ARTICLE 147- In the case of prior importation and where Article 141 is applied, the amount to be deducted shall be determined on the basis of the elements of charge applicable to the temporary export goods on the date of registration of the declaration placing them under the procedure.

ARTICLE 148- Article 137 (2) and Article 138 (b) shall not apply in the context of standard exchange.

V. Other provision

ARTICLE 149- The procedures provided for within the framework of outward processing shall also be applicable for the purposes of implementing non-tariff commercial policy measures.

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SECTION 4

Export Procedure

ARTICLE 150-1. The export procedure shall allow the goods in free circulation to leave the Customs Territory of Turkey for export purposes.

Exportation shall entail the application of exit formalities including commercial policy measures and, where appropriate, export duties.

2. The goods to be exported from the Customs Territory of Turkey and the relevant export declaration shall be lodged at the authorized customs administration.

3. The case in which and the conditions under which the goods leaving the customs territory of Turkey are not subject to an export declaration shall be determined in accordance with the regulation.

4. The Undersecretariat shall, where appropriate, be authorized to determine the methods and principles, which will facilitate exportation on the basis of the nature and description of the goods and the type of exportation.

ARTICLE 151- Export goods shall be deemed they were actually exported on condition that they were removed from the customs control and leave the Customs Territory of Turkey in the same state when the export declaration was registered. In this case the customs control on the export goods shall be ceased.

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CHAPTER THREE

Other Types of Customs-Approved Treatment or Use

SECTION 1

Free Zones

A. General Provisions

ARTICLE 152- Free zones shall be parts of the Customs Territory of Turkey however in which:

(a) goods not in free circulation are considered, for the purpose of import duties and commercial policy and import duties and currency regulations, as not being on the Customs Territory of Turkey , provided they are not released for free circulation or placed under any customs procedure or used or consumed under conditions other than those provided for in customs legislation;

(b) goods in free circulation availed of the opportunities related to the export of the goods, by virtue of being placed in a free zone.

ARTICLE 153-1. The perimeter and the entry and exit points of free zones shall be subject to control by the customs administrations.

2. Persons and means of transport entering or leaving a free zone may be subjected to a customs check.

3. The customs administrations shall check goods entering, leaving or remaining in a free zone. To enable such checks to be carried out, a copy of the transport document, which shall accompany goods entering or leaving, shall be handed to, or kept at the disposal of the customs authority for inspection. Where such checks are required, the goods shall be made available to the customs administrations.

B. Placing of goods in free zones

ARTICLE 154- Goods, either in free circulation or not, may be placed in a free zone. However goods which are flammable and explosive or which present a danger for other goods or which, for other reasons, require special facilities, shall be placed in premises specially equipped to receive them.

ARTICLE 155- 1. Without prejudice to Article 153 (3), goods entering a free zone need not be presented to the customs administrations, nor need a customs declaration be lodged.

2. Goods shall be presented to the customs administrations and undergo the prescribed customs formalities where:

- (a) they have been placed under a customs procedure which is discharged when they enter a free zone;
- (b) they have been placed in a free zone on the authority of a decision to grant repayment or remission of import duties;
- (c) they have been placed in a free zone on the condition of exportation.

However, where provisions of customs procedure referred to in subparagraph (a) do not require such obligations, the goods need not be presented to the customs administration.

3. Goods subject to export duties or to other export provisions shall be notified to the customs administrations.

4. At the request of the party concerned, the customs administrations may issue a document certifying the customs status of goods placed in a free zone.

C. Operation of free zones

ARTICLE 156- There shall be no limit to the length of time goods may remain in free zones.

ARTICLE 157- 1 Goods which are not in free circulation placed in a free zone may, while they remain in a free zone:

- (a) be released for free circulation under the conditions laid down by that procedure and by Article 161;
- (b) undergo the usual forms of handling without authorization;
- (c) be placed under the inward processing procedure;
- (d) be placed under the procedure for processing under customs control;
- (e) be placed under the temporary importation procedure;
- (f) be abandoned in accordance with Article 164;
- (g) be destroyed, provided that the person concerned supplies the customs administrations with all the information deemed necessary.

Where goods are placed under one of the procedures referred to in (c), (d) or (e), in so far as is necessary to take account of the operating and customs supervision conditions of the free zones, arrangements required by the relevant procedure shall be determined by relevant regulation.

2. Certain goods which are covered by the agricultural policy benefiting from the opportunities based on exportation, shall undergo only the usual forms of handling. Such handling may be undertaken without authorization.

ARTICLE 158- 1. Where Article 160 is not applied, goods not in free circulation and the goods released for free circulation which are referred to in Article 152 (b), shall not be consumed or used in free zones.

2. Without prejudice to the provisions applicable to supplies or stores, where the procedure concerned so provides, paragraph 1 shall not preclude the use or consumption of goods provided that the release for free circulation or temporary importation of which would not entail application of import duties or measures under the agricultural policy or commercial policy. Such declaration shall, however, be required if such goods are to be charged against a quota or a tariff ceiling.

ARTICLE 159-1. All persons carrying on an activity involving the storage, working or processing, or sale or purchase, of goods in a free zone shall keep stock records in a form approved by the customs administrations. Goods shall be entered in the stock records within 48 hours after they are brought into the premises of such person. The stock records must enable the customs administrations to identify the goods and to record their movements.

2. Documents relating the transshipment of goods within a free zone, shall be kept at the disposal of the competent customs administration. The short-term storage of goods in connection with such transshipment shall be considered to be an integral part of the transshipment operation.

D. Removal of goods from free zones

ARTICLE 160- Without prejudice to the provisions in force, goods leaving a free zone may be exported or re-exported from the customs territory of Turkey, or brought into the customs territory of Turkey.

The provisions of Title III shall apply to goods brought into other parts of that territory except in the case of goods which leave that zone by sea or air without being placed under a transit or other customs procedure. The provisions of Articles 46 to 50 shall not apply in the case that the concerned goods are in free circulation.

Where the goods are exported or re-exported from a freezone, provisions regarding these formalities shall be complied with.

ARTICLE 161- 1. Where a customs debt is incurred in respect of goods not in free circulation and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing or of preserving goods while they remain in the free zone, such costs shall not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

2. Where the said goods have undergone, in a free zone, the usual forms of handling, the nature of the goods, the customs value and the quantity to be taken into consideration in determining the amount of import duties shall, at the request of the declarant and provided that such handling was covered by a granted authorization, be those which would be taken into account in respect of those goods, at the time referred to in Article 193, had they not undergone such handling. Derogation from this provision may, however, be granted by the Council of Ministers .

ARTICLE 162-1 Where goods are brought into or returned to another part of the customs territory of Turkey or placed under a customs procedure, the certificate referred to in Article 155 (4) may be used as proof in determining the status of such goods.

2. Where it is not proved by the certificate or other means that the goods have customs status, the goods shall be considered to be:

- (a) Goods in free circulation , for the purposes of applying export duties and export licenses or commercial policy measures;
- (b) Goods not in free circulation in all other cases.

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SECTION 2

Re-exportation, destruction and abandonment

ARTICLE 163-1 Goods not in free circulation may be re-exported from the Customs Territory of Turkey.

2. Re-exportation shall, where appropriate, involve application of the formalities laid down for goods leaving, including commercial policy measures.

Cases in which goods not in free circulation may be placed under a suspensive arrangement with a view to non-application of commercial policy measures on exportation may be determined in accordance with regulation.

ARTICLE 164-1 Destruction or abandonment of goods not in free circulation under supervision of the customs administrations shall not entail any expense for the Exchequer.

2. Any waste or scrap resulting from destruction shall be assigned a treatment or use prescribed for goods not in free circulation. Any waste or scrap shall remain under customs supervision until the formalities laid down in Article 36 (2) are completed.

ARTICLE 165- Without prejudice to the circumstances laid down by the Undersecretariat, re-exportation or destruction shall be the subject of prior notification of the customs administrations. The Undersecretariat for Customs shall prohibit re-exportation should the formalities or measures regarding exportation or re-exportation of goods, including the commercial policy measures, so provide. Where goods placed under a customs procedure when with economic impact in the Customs Territory of Turkey are intended for re-exportation, a customs declaration within the meaning of Articles 58 to 71 shall be lodged. Under such circumstances, Article 150 (2) and (4) shall apply.

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TITLE V

Goods Leaving the Customs Territory of Turkey

ARTICLE 166- Goods leaving the Customs Territory of Turkey shall be subject to customs control in accordance with the provisions in force. They shall leave the said territory using, where appropriate, the route determined by the customs administrations and under supervision by the customs administration.

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TITLE VI

Privileged Operations

CHAPTER ONE

Relief and Exception from Customs Duties

ARTICLE 167- Goods to be released for free circulation shall benefit from customs duty relief under the following circumstances:

1. Goods brought for the President of the Republic of Turkey and for his residence;
2. Diplomatic goods imported on the basis of reciprocity;
3. (a) Provided that a customs declaration has been made on behalf of and for the requirements of the Ministry of National Defense, General Command of Gendarmerie and Coastal Security Command; any armament, equipment, machinery, devices and systems of war which have been procured from abroad and the spare-parts, fuel oil and mineral oil, raw material, materials and spoils which will be used in the manufacture, maintenance and repair of these;
- (b) Any aids acquired from foreign sources without allocation of foreign currency by the Ministry of National Defense, General Command of Gendarmerie and Coastal Security Command;
- (c) The materials, armament and their components referred to in subparagraph (a) that the Directorate General of Public Security and Directorate General of Customs Enforcement will purchase and import from foreign countries in order to meet the requirements of security and customs enforcement services;
4. Goods, the total value of which do not exceed EURO 100;
5. Used personal goods imported by natural persons, such as:
 - (a) Motor vehicles or vehicles used for special road transportation, which were not older than three years at the date of their purchase, and owned by natural persons who have transferred their legal residence to the Customs Territory of Turkey,
 - (b) Any used household belongings of the natural persons who have transferred their legal residence to the Customs Territory of Turkey,
 - (c) Dowry of the persons who have moved to Turkey by marrying or to marry a Turkish resident,
 - (d) Personal goods acquired by inheritance,
 - (e) Scholastic materials of the foreign students who came to Turkey to study, and other household belongings related with this study,
 - (f) Used household belongings returned by the natural persons who left the Customs Territory of Turkey for a temporary period.
6. Other goods imported by the natural persons such as:
 - (a) Souvenirs sent by a natural person to the other or imported by the travellers, not exceeding the total value of EURO 300,
 - (b) Medal of honor or other awards,
 - (c) Awards received within the framework of international relations.
7. On condition that they will be used to achieve the institutional aims without making profit, goods imported by the public institutes and institutions and the societies working for the public good and the foundations granted duty relief, such as:

- (a) educational, scientific and cultural goods, and scientific tools and devices,
- (b) tools and devices for medical diagnosis, treatment and research,
- (c) biological or chemical substances, and animals used for scientific research
- (d) therapeutic substances of human origin, blood grouping and tissue typing reagents,
- (e) substances for the quality control of the medicaments.

8. Importation concerning the performance of a commercial activity;

- (a) Capital goods and other materials imported due to the transfer of offices,
- (b) Products obtained by the farmers acting in the Customs Territory of Turkey, from their properties abroad,
- (c) Seeds, fertilizer and other products used in processing the soil and crops and brought by the farmers of the neighboring countries into their property situated in the Customs Territory of Turkey,
- (d) Samples of no commercial value,
 - (i) Sample goods and models of no negligible value
 - (ii) Printed advertisement documents and materials for advertisement purposes,
 - (iii) Products used or consumed in a commercial fair or a similar activity,
- (e) Goods imported for inquiry, analysis or testing,

9. Goods used in transportation;

- (a) Auxiliary articles used for hoarding and protection of the goods,
- (b) Hays, animal fodder, animal foodstuffs and medicaments used in the transportation of live animals,
- (c) Fuel oil and mineral oil available in the means of transport and special containers,
- (d) Equipment and operation materials of the sea and air means of transport,

10. Importation of information material;

- (a) Goods sent to the organizations protecting the copy rights or industrial and commercial patent rights,
- (b) Tourist promotion materials,
- (c) Various documents and goods of no commercial value,

11. Importation of the goods related with funeral;

- (a) Goods for the construction, upkeep or ornamentation of military monuments and cemeteries,
- (b) Coffins, funerary urns and ornamental funerary articles,

12. Other special;

- (a) Goods for the disabled,
- (b) Goods sent to those affected by natural disasters,
- (c) Pharmaceutical products imported to be used in international sports contests organized in Turkey.

The Council of Ministers shall be authorized to identify the goods referred to in paragraphs 4 to 12, to determine the nature, description and amount of these goods and the amount subject to relief and exception, to nullify or double the flat rates, to determine the lower and the upper limits with regard to the periods, and to implement successively or separately the relief and exception in respect of different goods.

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CHAPTER TWO
Returned Goods

ARTICLE 168- 1. Goods in free circulation which, having been exported from the Customs Territory of Turkey are returned to that territory and released for free circulation within a period of three years shall, at the request of the person concerned, be granted relief from imported duties. However, the three-year period may be exceeded due to unforeseeable conditions and force majeure.

Where, prior to their exportation from the Customs Territory of Turkey, the returned goods had been released for free circulation at reduced or zero duty by virtue of end-use, the amount of reduced or zero import duty shall be granted only if they are to be reimported for the same purpose. Where the purpose for which the goods in question are to be imported is no longer the same, the amount of import duties chargeable upon them shall be reduced by any amount levied on the goods when they were first released for free circulation. Should the latter amount exceed that levied on the entry for free circulation of returned goods, no refund shall be granted.

2. The relief from import duties provided for in paragraph 1 shall not be granted in the case of:

- (a) goods exported from the customs territory of Turkey under the outward processing procedure except those goods remain in the state in which they were exported;
- (b) goods which have been the subject of a foreign trade measure.

The circumstances in which and the conditions under (b) may be waived shall be determined by the Council of Ministers.

ARTICLE 169- The relief from import duties provided for in Article 168 shall be granted only if goods are reimported in the state in which they were exported. The circumstances in which and the conditions under which this requirement may be waived shall be determined by the Council of Ministers.

ARTICLE 170- Articles 168 and 169 shall apply mutatis mutandis to compensating products originally exported or re-exported subsequent to an inward processing procedure. These provisions shall also apply for the re-exported processed products.

Under such circumstances, the re-exportation date of goods shall be regarded as the date of release for free circulation and the amount of import duty legally owed shall be determined on the basis of the rules applicable under the inward processing procedure.

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CHAPTER THREE
Products of Sea-fishing and other Products
Taken from the Sea

ARTICLE 171- Without prejudice to Article 18 (2) (f), the following shall be exempt from import duties when they are released for free circulation:

(a) products of sea-fishing and other products taken from the territorial sea of other countries by vessels registered or recorded in Turkey and flying the Turkish flag;

(b) products obtained from products referred to in (a) on board factory-ships fulfilling the conditions laid down in that paragraph.

TITLE VII Border Trade

ARTICLE 172- The Council of Ministers shall determine the scope of the border trade between Turkey and neighbouring countries which will be carried out by taking into consideration the geographical circumstances and regional necessities.

Customs formalities regarding the border trade shall be determined by the relevant regulation.

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TITLE VIII

Other Customs Formalities

CHAPTER ONE

Postal Customs Formalities

ARTICLE 173-1. Goods, postal bags and parcels brought into, exported from and returned to the Customs Territory of Turkey, shall be subject to the examination and control of the customs administrations.

Letters not containing goods shall not be included herein.

2. The postal bags and parcels brought into the Customs Territory of Turkey shall be dispatched, at the customs office of entry, to the postal authorities wherein they shall be placed under the customs examination.

3. The postal bags and parcels to be exported from the Customs Territory of Turkey shall be subject to customs control. They may be exported from the customs administrations of exit following the determination by the customs authorities whether; they bear the seal or other marks of the customs administrations indicating that they had been controlled by the customs authorities beforehand, and the packages are intact.

4. The extent and the method of the customs controls relating to the postal parcel shall be determined by a regulation to be prepared with common accord by the Ministry of Transportation and the Ministry to which the Undersecretariat is affiliated.

ARTICLE 174- Goods brought into or leaving the Customs Territory of Turkey by postal means, shall be placed into public warehouses subject to application of Articles 93 to 107, under the responsibility of the Administration of Postal Services and the supervision of the customs administration. The length of time goods may remain here shall be subject to provisions of international postal agreements to which Turkey is a party.

ARTICLE 175-1. Commercial goods brought, by postal means, to or leaving from the Customs Territory of Turkey shall be declared to the custom administrations in accordance with Articles 58 to 71.

2. The internationally-approved documents produced in the presentation of the non-commercial goods to the Customs, shall be deemed as declaration, and no further declaration shall be needed.

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CHAPTER TWO

Provisions on Fuel Oil and Food

ARTICLE 176-1. The fuel and oil used by ships, boats, other sea vehicles and aircraft during their external trip, and the food brought from abroad by these vehicles provided it will not be disembarked, shall be relieved from import duties.

2. The fuel, oil and food in warehouses and not released for free circulation, shall be, pursuant to the transit provisions, released to the vehicles referred to in the paragraph 1.

Delivering to the navigating ships, boats and other sea vehicles and aircraft, of the fuel and oil released for free circulation and the food, shall be deemed as exportation.

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CHAPTER THREE

Formalities Regarding the Goods to be Disposed

ARTICLE 177- The following goods shall be disposed of in accordance with Article 178:

(a) Personal belongings of travellers placed, in accordance with article 48 (2) in customs warehouses for travellers' baggage and whose time of stay has expired.

(b) Goods in respect of which the formalities necessary for them to be assigned a customs-approved treatment or use, have not been initiated to be carried out, within the time-limit prescribed in accordance with Article 50,

(c) Samples remaining from the analysis, in accordance with Article 66 (5), in the case that they are not taken back by the related person within 1 month,

(d) Goods, the declaration of which has been registered in accordance with Article 70 (1), and the formalities of which have not been completed in due time,

(e) Goods, stored, in accordance with Article 70 (2), in customs warehouses, the customs procedure of which has not been fulfilled within 30 days following the registration of a declaration on the assignment of a customs-approved treatment or use,

(f) Goods, the period of which, prescribed in accordance with Article 101, has expired,

(g) Excessive goods as a result of the counting carried out in warehouses in accordance with Article 105 (3),

(h) Goods abandoned in accordance with Article 164,

(i) Goods brought in accordance with Article 174, and rejected by its recipient or sender,

(j) Transit goods placed in the places under customs supervision and not removed, despite the written communication made, following the completion of the period mentioned within the relevant articles to the declarant or his representative in Turkey within sixty days,

(k) Perishable goods, goods which may be exposed to loss or goods requiring a high cost for storage, irrespective of whether they have a legal time for stay in accordance with the relevant articles,

(l) Goods seized in accordance with Article 237 (3).

2. Goods to be disposed of in accordance with the Law on the Prohibition and Investigation of Smuggling, dated 7.1.1932 and No. 1918, and in accordance with the Law on the Disposal of any Goods, Instruments and Means of Transportation Retained as Contraband Goods. Under the Law on the Prohibition and Investigation of Smuggling, dated 20.1.1993 and No. 3864, shall be disposed in accordance with Article 178.

The determination and assessment papers of the goods to be disposed of hereunder, shall be forwarded to the Administration for Disposal within thirty days. The Administration for Disposal shall be obliged, within thirty days, to receive the goods subject to disposal.

ARTICLE 178- The goods referred to in Article 177 shall be subject to disposal by:

- (a) Sale by auction,
- (b) Sale for the purpose of re-exportation,
- (c) Sale by retail,
- (d) Sale to the public institutions and foundations and associations established by special law,
- (e) Destruction.

Methods and principles regarding disposal shall be laid down jointly by the Ministry of Finance and the Ministry of State to which the Undersecretariat of Customs is affiliated.

ARTICLE 179-1. The declarant of the goods subject to auction in accordance with Article 178 (a), shall reserve the right to apply the customs administration and request that the concerned goods are placed under the free circulation entry procedure until the date on which the announcement of the auction is published.

However, such a request shall only be accepted if the import duties of the concerned goods, fines, storing and handling charges and other expenses are borne by the declarant.

2. Where the decision to sell by retail the goods subject to disposal, has been taken in accordance with Article 178 (c), the declarant shall not reserve the right to request in accordance with Paragraph 1.

3. Provisions of paragraph 1 shall not apply for the goods referred to in Article 177 paragraph 1 (h) and (l), and paragraph 2.

ARTICLE 180-1. The following shall be set aside from the transaction value of the goods referred to in Article 177 paragraph 1 (b), (d), (e), (f), (j) and (k), and shall be distributed to the relevant persons:

- (a) Receivables and expenses in return for services,
- (b) Import duties,
- (c) Sales expenses
- (d) Fines.

In the case that it fails to meet the whole receivables, the transaction value shall be shared in on debt basis. Where any amount of money remains after such a distribution, it shall be consigned on behalf of the owners of the goods. Where the money is not withdrawn from the accounts in one year, the money shall be forfeited on account of the Treasury as revenue.

2. Where any remaining or consigned amount exists, as a result of paragraph 1, of the transaction value of the goods sold in accordance with Article 177 (2); the amount shall be either forfeited or paid to the owner of the goods on the basis of how the lawsuit ends.

3. The remaining amount acquired as a result of the distribution of the transaction value referred to in Article 177 paragraph 1 (a), (c), (g), (h), (i) and (l) in accordance with paragraph 1 and the Floating Capital Law concerning the Goods to be Disposed under the Customs Legislation, dated 16.5.1984 and No. 3007, shall be forfeited.

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TITLE IX Customs Debt

CHAPTER ONE Incurrence of a Customs Debt

ARTICLE 181- 1. A customs debt on importation shall be incurred through:

- (a) the release for free circulation of goods liable to import duties, or
- (b) the placing of such goods under the temporary importation procedure with partial relief from import duties.

2. A customs debt shall be incurred at the time of registration of the customs declaration in question.

3. As regards the customs debt on importation, the debtor shall be the declarant. In case of indirect representation, the person on whose behalf the customs declaration is made shall also be a debtor.

Where a customs declaration in respect of one of the procedures referred to in paragraph 1, is drawn up on the basis of information which leads to all or part of the duties legally owed not being collected, the persons who

provided the information required to draw up the declaration and who knew, or who ought reasonably to have known that such information was incorrect, shall also be considered debtors.

ARTICLE 182-1. A customs debt on importation shall be incurred through the unlawful movement into the customs territory of Turkey of goods liable to import duties, or the unlawful introduction into another part of that territory of such goods located in a free zone.

2. The customs debt shall be incurred at the time when the goods are unlawfully introduced into the Customs Territory of Turkey.

3. In accordance with the provisions of this law, the debtors shall be:

- (a) the person who introduced such goods unlawfully,
- (b) any persons who participated in the unlawful introduction of the goods and who were aware or should reasonably have been aware that such introduction was unlawful, and
- (c) any persons who acquired or held the goods in question and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been introduced unlawfully.

ARTICLE 183- 1. A customs debt on importation shall be incurred through the unlawful removal from customs supervision of goods liable to import duties.

2. The customs debt shall be incurred at the time when the goods are removed from customs supervision.

3. The debtors shall be in accordance with this Law:

- (a) any persons who removed the goods from customs supervision,
- (b) any persons who participated in such removal and who were aware or should reasonably have been aware that the goods were being removed from customs supervision,
- (c) any persons who acquired or held the goods in question and who were aware or should reasonably have been aware at the time of acquiring or receiving the goods that they had been removed from customs supervision, and
- (d) any persons required to fulfil the obligations arising from temporary storage of the goods or from the use of the customs procedure under which those goods are placed.

ARTICLE 184- 1. Apart from those stated in Article 183, a customs debt on importation shall be incurred through:

- (a) non-fulfillment of one of the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they are placed, or

- (b) non-compliance with a condition governing the placing of the goods under that procedure or the granting of a reduced or zero rate of import duty by virtue of the end-use of the goods, where it is established that those failures have led to the false operation of the temporary storage or customs procedure in question.

2. The customs debt shall be incurred either:

- (a) at the moment when non-fulfillment of the provision referred to in paragraph 1 (a) gives rise to the customs debt, or
- (b) at the moment when the goods are placed under the customs procedure concerned where it is established subsequently that a condition governing the placing of the goods under the said procedure or the granting of a

reduced or zero rate of import duty by virtue of the end-use of the goods was not in fact fulfilled.

3. The debtor shall be the person who is required, according to the circumstances, either to fulfil the obligations arising, in respect of goods liable to import duties, from their temporary storage or from the use of the customs procedure under which they have been placed, or to comply with the conditions governing the placing of the goods under that procedure.

ARTICLE 185- 1. A customs debt shall be incurred through:

- the consumption or use, in a free zone of goods liable to import duties, under conditions other than those laid down by this Law.

Where goods disappear and where their disappearance cannot be explained to the satisfaction of the customs administrations, those goods may be regarded as having been consumed or used in the free zone.

2. The customs debt shall be incurred on the date when the goods in free zone are consumed or are first used under conditions other than those laid down by this Law.

3. The debtor shall be the person who consumed or used the goods and any persons who participated in such consumption or use and who were aware or should reasonably have been aware that the goods were being consumed or used under conditions other than those laid down by this Law.

Where customs administrations regard goods which have disappeared as having been consumed or used in the free zone and it is not possible to apply the preceding paragraph, the person liable for payment of the customs debt shall be the last person known to these administrations to be the user of the goods.

ARTICLE-186-1. Without prejudice to articles 182 and 184 (1) (a), no customs debt on importation shall be deemed to be incurred in respect of specific goods where the person concerned proves that the non-fulfillment of the obligations which arise from:

(a) the provisions of Articles 37 to 40,

(b) bringing goods into Turkey from a free zone,

(c) keeping the goods in question in temporary storage, or

(d) the use of the customs procedure under which the goods have been placed,

results from the total destruction or irretrievable loss of the said goods as a result of the actual nature of the goods or unforeseeable circumstances or force majeure, or as a consequence of authorization by the customs administrations.

Irretrievable loss of goods shall mean that they are unusable by any person. In the cases which are not a consequence of authorization by the customs administrations, the total perishing or loss of goods shall be demonstrated by the decision of the court to which the administrations are party.

However, proof shall be certified; shall be demonstrated;

(a) in case of notorious theft, by the document produced to the Prosecutor of the Republic upon the preparatory investigation,

(b) in the case that the damage, perishing or loss has been caused by other known cases, by the document to be presented by the highest local public authority.

2. Nor shall a customs debt on importation be deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duty by virtue of their end-use, where such goods are exported or re-exported with the authorization of the customs administrations.

ARTICLE 187- 1. Where, in accordance with Article 186 (1), no customs debt is deemed to be incurred in respect of goods released for free circulation at a reduced or zero rate of import duty on account of their end-use, any scrap or waste resulting from such perishing shall be deemed to be goods not in free circulation.

2. Where in accordance with Article 183 or 184 a customs debt is incurred in respect of goods released for free circulation at a reduced or zero rate of import duty by virtue of their end-use, the amount paid when the goods were released for free circulation shall be deducted from the assessed amount of the customs debt. This provision shall apply mutatis mutandis where a customs debt is incurred in respect of scrap and waste resulting from the perishing of such goods.

ARTICLE 188-1. A customs debt on exportation shall be incurred through the exportation from the Customs Territory of Turkey, under cover of a customs declaration, of goods liable to export duties.

2. The customs debt shall be incurred at the time when such customs declaration is registered.

3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made, shall also be a debtor.

ARTICLE 189- 1. A customs debt on exportation shall be incurred through the removal from the Customs Territory of Turkey of goods liable to export duties without a customs declaration.

2. The customs debt shall be incurred at the time when the said goods actually leave the Customs Territory of Turkey.

3. The debtor shall be the person who removed the goods from the customs territory of Turkey, and any persons who participated in such removal and who were aware or should reasonably have been aware that a customs declaration had not been but should have been lodged.

ARTICLE 190- 1. A customs debt on exportation shall be incurred through failure to comply with the conditions under which the goods were allowed to leave the Customs Territory of Turkey with total or partial relief from export duties.

2. (a) The debt shall be incurred at the time when the goods reach a destination other than that for which they were allowed to leave the Customs Territory of Turkey with total or partial relief from export duties.

(b) Should the customs administrations be unable to determine the date referred to in subparagraph (a), a time limit shall be set for the holder of procedure for the production of document that the conditions entitling the goods to such relief have been fulfilled. In the case that the mentioned document has not been produced, the customs debt shall be incurred at the expiry date of the time limit set.

3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made shall also be a debtor.

ARTICLE 191- The customs debt referred to in Articles 181 to 185 and 188 to 190 shall be incurred for goods subject to measures of prohibition or restriction on importation or exportation. However, no customs debt shall be incurred on the unlawful introduction into the Customs Territory of Turkey of counterfeit currency or of narcotic drugs and psychotropic substances which do not enter into the economic circuit strictly supervised by the competent administrations with a view to their use for medical and scientific purposes since it shall be proceeded according to the smuggling and other laws including penal provisions. For the purposes of criminal law as applicable to customs offences, however the customs debt shall nevertheless be deemed to have been incurred where, under the relevant criminal law, customs duties provide the basis for determining penalties, or the existence of a customs debt is grounds for taking criminal proceedings.

ARTICLE 192- Where several persons are liable for payment of one customs debt, they shall be jointly and severally liable for such debt.

ARTICLE 193- 1. Save as otherwise expressly provided by this Law and without prejudice to paragraph 2, the amount of the import duty or export duty applicable to goods shall be assessed on the basis of the rules of assessment appropriate to those goods at the time when the customs debt in respect of them is incurred, and on the basis of other taxation elements.

2. Where it is not possible to determine precisely when the customs debt is incurred, the time to be taken into account in determining the rules of assessment appropriate to the goods concerned shall be the time when the customs administrations conclude that the goods are in a situation in which a customs debt is incurred.

However, where the information available to the customs administrations enables them to establish that the customs debt was incurred prior to the time when they reached that conclusion, the amount of the import duty or export duty payable on the goods in question shall be determined on the basis of the rules of assessment appropriate to the goods at the earliest time when existence of the customs debt arising from the situation may be established from the information available.

3. Where the debtor applies to the administrative judiciary court with a disagreement on customs duties subsequent to the incurrance of customs debt and where the court decisions have been taken partly or wholly on behalf of the administration; the compensatory interest, at the rate of the surcharge for late payments determined in accordance with the Procedure Law of Collection of Public Claims dated 21.7.1953 and No. 6183, shall be applied for the amount determined between the date of dispute due to objection and the date on which the public claim has been legally due.

ARTICLE 194 -1. In so far as agreements to which Turkey is a party, provide for the granting on importation into those countries of preferential tariff treatment for goods originating in Turkey within the meaning of such agreements, on condition that, where they have been obtained under the inward processing procedure, goods not in free circulation incorporated in the said originating goods are subject to payment of the import duties payable thereon, the validation of the documents necessary to enable such preferential tariff treatment to be obtained shall cause a customs debt on importation to be incurred.

2. The moment when such customs debt is incurred shall be deemed to be the date when the customs administration register the export declaration relating to the goods in question.

3. The debtor shall be the declarant. In the event of indirect representation, the person on whose behalf the declaration is made, shall also be a debtor.

4. The amount of the import duties regarding the goods not in free circulation which are subject to inward processing procedure, shall be determined under the tax rate applicable on the same date of the export declaration and under other taxation elements.

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CHAPTER TWO

Assessment, Notification and Payment of Customs Duties

ARTICLE 195-1. Each and every amount of customs duties assessed by a customs administration shall be entered by the customs administration in the Duties Assessment Records or into computer. Where this amount is entered into a computer, the print-outs shall be deemed as the Customs Duties Assessment Records.

However, the duties shall be entered in the Customs Duties Assessment Records and their particulars shall be mentioned in these records:

(a) where a provisional anti-dumping or countervailing duty has been introduced;

(b) where the amount of duty legally due exceeds that determined on the basis of binding tariff and origin information;

(c) where the amount of duty is lower than the level determined by the Council of Ministers.

2. The Undersecretariat shall determine the practical procedures for the form of the Customs Duties Assessment Records and entry in the accounts of the amounts of duty into these records.

ARTICLE 196- Provided that payment has been secured, the total amount of duty relating to all the goods released to one and the same person during a period fixed by the customs administrations, which may not exceed 30 days, may be covered by a single entry in the accounts and entered in the Customs Duties Assessment Records.

ARTICLE 197- 1. As soon as it has been entered in the accounts, the amount of duty shall be communicated to the debtor in accordance with the declaration or any equivalent document.

2. Having been demonstrated that it has not been received or has been received deficient, or has not been communicated in the same manner as in paragraph 1, communication to the debtor shall take place within a period of three years from the date on which the customs debt was incurred. However, filing a suit regarding the act that incurred customs debt, shall suspend the prescription.

3. Where the amount of duty indicated by the debtor in the customs declaration and the amount calculated by the customs administrations are equal, the release of goods by customs administrations shall mean the communication to the debtor of the amount of duty owed.

4. Where the amount of duty owed concerns a penal act and the prescription period of the offence is longer, these debts shall be investigated and collected within the prescription periods of prosecution and penalty referred to in the Turkish Penal Code.

ARTICLE 198-1. Without prejudice to Article 69, the duties demonstrated by the controls and audits to be unreceived or deficiently received, and the duties regarding the released goods, the formalities of which will be made later, shall be paid within ten days following communication to the debtor of duty owed.

However, upon the written request of the debtor as from the expiry of these periods and upon the provision of security, this period may be extended by a further thirty days. The extension may also be granted separately for every item of the goods placed within the meaning of a declaration. The amount of such interest shall be calculated at the rate of interest for default in accordance with the provisions of the Procedure Law on Collection of Public Claims No. 6183.

2. The period that elapses due to the delay of the formalities carried out by the authorities or due to any formality carried out by the judicial authorities or official bodies regarding the exportation or importation of goods, shall suspend the duration of payment.

3. The debtor may in any case pay all or part of the amount of duty without awaiting expiry of the period he has been granted for payment.

ARTICLE 199-Where the deficient information or documents in a declaration registered in accordance with the simplified procedure, have not been completed, the payable duties of the goods placed within the meaning of declaration, shall not be deferred.

ARTICLE 200-1 Customs duties shall be paid as Turkish Lira. This payment shall be made in accordance with the provisions of the Procedure Law on Collection of Public Claims No. 6183.

2. Customs duties may also be collected via the authorized banks.

ARTICLE 201- The provisions of the Procedure Law on Collection of Public Claims No. 6183. shall apply for the customs duties not paid in due time.

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CHAPTER THREE

Security

ARTICLE 202-1. Where, in accordance with customs legislation, the customs administrations require security to be provided in order to ensure payment of a customs debt, such security shall be provided by the person who is liable or who may become liable for that debt.

2. The customs administrations may authorize the security to be provided by a person other than the person from whom it is required.

3. The Undersecretariat shall be authorized to accept as security the letters of guarantee to be submitted by the public institutions included within the general and additional budget, municipalities, state economic enterprises the capital of which is totally owned by the state and the foreign mission chiefs located in Turkey.

4. The Council of Ministers shall be authorized to determine the conditions whereby no security will be demanded and partial security will be applied.

ARTICLE 203- At the request of the person referred to in Article 202 (1) or (3), the customs administrations shall allow comprehensive security to be provided to cover two or more operations in respect of which a customs debt has been or may be incurred.

ARTICLE 204- 1. The amount of security shall be at a level equal to the precise amount of the customs debt or debts in question where that amount can be established with certainty at the time when the security is required, in other cases the maximum amount, as estimated by the customs administration, of the customs debt or debts which have been or may be incurred.

Where comprehensive security is provided for customs debts which vary in amount over time, the amount of such security shall be set at a level enabling the customs debts in question to be covered at all times.

2. The circumstances in which and the conditions under which a flat-rate security may be provided shall be determined in accordance with regulation.

ARTICLE 205- Securities to be accepted for customs duties and their assessment shall be subject to the Procedure Law on Collection of Public Claims No. 6183. The Undersecretariat shall be authorized to accept the foreign currencies as guarantee, on the value computed over the buying exchange rates on banknote of the Central Bank of the Republic of Turkey.

ARTICLE 206-1. Where the customs administration establishes that the security provided does not ensure, or is no longer certain or sufficient to ensure, payment of the customs debt within the prescribed period, it shall require an additional security or replacement of the original security with a new security.

2. The security shall not be released until such time as the customs debt in respect of which it was given is extinguished.

3. Once the customs debt has been extinguished in part, part of the security granted accordingly at the request of the person concerned, shall be released. However, the security shall be conformant, in part, with release.

ARTICLE 207- Except for cash deposit, the amount of the interest shall be collected at the rate of surcharge for late payments determined in accordance with the provisions of the Procedure Law on Collection of Public Claims No. 6183 as from;

(a) the acceptance of the security provided for the assessed and collectable duties;

(b) the acceptance of the security where a customs debt has incurred due to the fact that the goods subject to suspensive arrangement and customs

procedure with economic impact, are incompatible with the provisions of the relevant procedure.

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CHAPTER FOUR

Extinction of Customs Debt

ARTICLE 208- Without prejudice to the provisions of the Procedure Law on Collection of Public Claims No. 6183; a customs debt shall be extinguished:

- (a) by payment of the amount of duty;
- (b) by the decision of remission of the amount of duty;
- (c) where the customs declaration is invalidated,
- (d) where the goods, before their release under a customs procedure, are either seized and confiscated, destroyed or abandoned in accordance with Article 164, or destroyed or irretrievably lost as a result of their actual nature or of unforeseeable circumstances or force majeure,
- (e) where goods in respect of which a customs debt is incurred in accordance with Article 182 are confiscated upon their unlawful introduction.

ARTICLE 209- A customs debt, incurred in accordance with Article 194 (1), shall also be extinguished where these formalities are cancelled.

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CHAPTER FIVE

Repayment and Remission of Duties

ARTICLE 210- The following definitions shall apply:

- (a) 'repayment' means the total or partial refund of customs debt which have been paid;
- (b) 'remission' means a decision to waive all or part of the amount of a customs debt which has not been paid.

ARTICLE 211- 1. Customs duties shall be repaid in so far as it is established that when they were paid the amount of such duties was not legally owed. Customs duties shall be remitted in so far as it is established that when they were illegally assessed.

No repayment or remission shall be granted when the facts which led to the payment or entry in the accounts of an amount which was not legally owed are the result of deliberate action by the person concerned.

2. Customs duties shall be repaid or remitted upon submission of an application to the appropriate customs office within a period of three years from the date on which the amount of those duties was communicated to the debtor.

Where the customs administrations themselves discover within this period that either repayment or remission as a result of their control and

inspection; repayment or remission shall be directly carried out. That period shall be extended under unforeseeable circumstances or force majeure.

ARTICLE 212- Customs duties paid on the basis of a declaration shall be repaid upon request of the person concerned by invalidating the customs declaration. Repayment shall be granted within the periods laid down for submission of the application for invalidation of the customs declaration.

ARTICLE 213-1. As of the registration date of the declaration, import duties shall be repaid or remitted in so far as it is established that the amount of such duties entered in the accounts relates to goods placed rejected by the importer because they are defective or do not comply with the terms of the contract on the basis of which they were imported. Defective goods, shall be deemed to include goods damaged before their release.

2. Repayment or remission of import duties shall be granted on condition that the goods have not been used, except for such initial use as may have been necessary to establish that they were defective or did not comply with the terms of the contract; the goods are exported from the Customs Territory of Turkey.

At the request of the person concerned, the customs administrations shall permit the goods to be destroyed or to be placed, for the purposes of their re-exportation, under the transit procedure or the customs warehousing procedure or in a free zone, instead of being exported. For the purposes of being assigned one of the customs-approved treatments or uses provided for in the preceding subparagraph, the goods shall be deemed to be the goods not in free circulation.

3. Import duties shall not be repaid or remitted in respect of goods which, before being declared to customs declaration, were imported temporarily for testing, unless it is established that the fact that the goods were defective or did not comply with the terms of the contract could not normally have been detected in the course of such tests.

4. An application shall be submitted to the appropriate customs administration for import duties to be repaid or remitted for the reasons set out in this article within one year from the date on which the amount of those duties was notified to the debtor. This period may be extended by the Undersecretariat when a force majeure is detected.

ARTICLE 214- Customs duties may be repaid or remitted in situations other than those referred to in Articles 211, 212 and 213, under conditions to be laid down by the Council of Ministers within the framework of the provisions of international agreements to which Turkey is a party.

Duties shall be repaid or remitted for the reasons set out herein upon submission of an application to the appropriate customs administration within one year from the date on which the amount of the duties was notified to the debtor. However, this period may be extended by the Undersecretariat when a force majeure is detected.

ARTICLE 215- The amount of the customs duties which will not be subject to repayment or remission shall be fixed in accordance with the Decree of the Council of Ministers.

ARTICLE 216- Repayment by the competent administrations of amounts of customs duties or of surcharge or interest of late payment collected on payment of such duties shall not give rise to the payment of interest by those administrations. However, interest shall be paid upon the request of the concerned person where a decision to grant a request for repayment is not implemented by the administration within three months of the date of adoption of that decision.

The amount of such interest shall be calculated in accordance with the provisions of the Procedure Law on Collection of Public Claims No. 6183, regarding the deferral interest.

ARTICLE 217- Where a customs debt has been remitted or repaid in error, the original debt and any interest paid under Article 216 shall must be reimbursed. The uncollected amount shall be paid within 10 days following the notification. The provisions of the Procedure Law on Collection of Public Claims No. 6183, shall apply for the amount not-paid within the said limit.

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TITLE X

Other Provisions

CHAPTER ONE

Obligations of Port and Warehouses

ARTICLE 218-1. Provided that the necessary customs supervision and control formalities are carried out in accordance with the provisions hereof, the institutions and Administration for Postal Services, that are in charge of the stations, seaports and airports used in transportation of goods and travellers between Turkey and other countries via railway, highway, seaway and airway, shall be obliged to construct traveller halls, temporary storage, warehouses, convenient and suitable offices for the customs and customs enforcement administrations, and watching towers; to meet such requirements of the above-mentioned places, as lightening, heating and cleaning; to provide fixtures, telephone and other technical equipment free of charge; and to meet the demands of the Undersecretariat for Customs regarding the establishment of any physical infrastructures relating to prevent any interchange of goods and persons subject to customs supervision at ports and customs offices with the others.

2. Apart from those referred to in Paragraph 1, Administration for Postal Services shall be liable to provide the measurement devices and other equipment required for the examination and analysis of postal parcels.

ARTICLE 219-1. With the aim to insure the safety of the goods and the rapid render of services, the warehousekeeper shall be obliged, as required by the Undersecretariat, to provide the additional equipment and modifications and the high-tech means.

2. (a) The warehousekeepers of the private warehouses shall be liable to deposit cash at the cashier of Customs the overtime pays and allowances which will be paid to the customs and customs enforcement officials and the amount of which will be determined by the Undersecretariat.

(b) The salary, overtime pays and other allocations for the officials working in customs and customs enforcement administrations that have been

established to carry out the customs formalities relating to a certain private or public warehouse, shall be pre-deposited monthly by the warehousekeepers, as cash, at the cashier of Customs.

(c) Administration for Postal Services shall deposit at the cashier of customs the overtime pays determined by the Undersecretariat which is to be paid to the customs officials due to customs supervision and formalities.

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CHAPTER TWO

Working Hours, Uniform of the Customs Personnel and the Customs Flag

SECTION 1

Working hour and Overtime Pays

ARTICLE 220- Taking climatic, seasonal conditions and economic needs of the region into account, the Undersecretariat shall determine the regular working hours in customs administrations.

Without prejudice to the provisions of Article 35, frontier customs offices, railway stations and customs offices situated in sea and airports, shall be continuously open, since such operations as departure and destination of travellers and vehicles and loading and unloading of goods are not in conformance with normal working hours. In such places, working hours of the officials shall be organized in a rotational manner.

ARTICLE 221-1. Apart from the arrival and departure of the travellers and vehicles, loading, unloading and all other customs operations shall be carried out within the regular working hours.

A written request made out of the working hours shall be approved by the head of the customs administration, only if necessary precautions are taken and the applicant will pay the overtime pays and legal allowances (if available) of the personnel. The officials [including the auditing personnel and TESIS (Administration for Disposal) personnel responsible in customs]. The regional customs director, director or acting directors shall organize and control the overtime services. These authorized persons and others who render service independent from the working hours, shall benefit from Article 222 (3).

2. In case that the fees are deposited, irrespective of working hours or overtime, the authorized customs administrations may meet the special courier transportation and requests of private travellers.

ARTICLE 222-1. The amount of the salary to be paid to the personnel subject to Article 221 and the collection and distribution hereof shall be determined by a regulation to be drawn up by the Ministry to which the Undersecretariat for Customs is affiliated. The monthly amount paid to the personnel working at the Headquarters shall not be more than 200% of the salary of the highest ranked official (including the additional indication).

2. 50% of the fees collected in this manner shall be paid to the personnel holding this right. 40% of the remaining part shall be transferred to the account of the Headquarters in order to be used for the requirements of the customs administration.

3. Methods and principles relating to the distribution of the amount other than the one referred to in subparagraph 2 to the other personnel, shall be determined by regulation.

No tax other than the stamp duty, shall be applied in the payments to be made hereunder.

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SECTION 2

Uniform of the Customs Personnel and the Customs Flag

ARTICLE 223-1. The senior officials and officials of customs enforcement and the customs officials who are directly in contact with travellers or those engaged with customs shall be obliged to wear official uniform.

The style of the official uniform and insignia, name plates and other marks attached on, shall be determined by the Undersecretariat.

2. Paragraph (1) shall not apply for the Regional Director, Deputy Regional Directors and the personnel working at the Headquarters.

ARTICLE 224- The customs flag shall be in hoisted position at customs administrations that render a non-stop service. Whereas in other customs premises, the customs flag shall be in hoisted position only within legal working hours.

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CHAPTER THREE

Proceeding of Transactions at Customs and Customs Consultants

ARTICLE 225-1. Under Article 5, activities regarding the goods being assigned one of the customs-approved treatments or uses, shall be proceeded and concluded through direct representation by the owners of goods and by those who act on their behalf; or through indirect representation by the customs consultants.

2. Chiefs and officials of State, municipal and provincial administrations and other public legal persons, and the authorized representatives of the private legal persons may proceed the whole customs formalities by way of direct representation.

Road, marine and airport companies and the representatives of the transporter company may only proceed the transit operations of the transported goods by the way of direct representation.

ARTICLE 226-1. The customs consultants may proceed and conclude any customs formalities.

2. The assistant customs consultants work with a customs consultant and may proceed the task on his behalf. The Undersecretariat for Customs shall be authorized to restrict the customs activities of the assistant customs consultants.

ARTICLE 227-1. The assistant customs consultant shall:

- (a) be a citizen of the Republic of Turkey,
- (b) be able to avail of civil rights,
- (c) not be deprived of public rights,
- (d) except for the fraudulent offences and even if pardoned, not be convicted of such crimes as penal servitude or imprisonment for more than 5 years, or of such disgraceful offences as smuggling, embezzlement, abuse, corruption, bribery, larceny, swindle, falsification, abuse of beliefs, fraudulent bankruptcy, false evidence, maliciously false imputation, calumny, and corruption in official tenders and deals or revealing the secrets of the State, tax fraud or attempt to tax fraud,
- (e) not be dismissed from public service as a result of penal and discipline investigation,
- (f) i) be a graduate of any faculty, academy or foreign schools the equivalence of which has been accepted by the Higher Education Institution in such fields as law, economics, finance, management, accounting, banking, public administration, political sciences and industrial engineering, ii) Post-graduate of any of the above-mentioned disciplines subsequent to being graduated from the other disciplines; or graduate of vocational academies on customs, foreign trade and European Union.
- (g) have worked with a customs consultant for three years as a practical training ,
- (h) have passed the examination covering the customs legislation and economic, trade and financial fields regarding customs.

2. (a) Provided that they meet the conditions referred to in paragraph 1, having resigned or retired from their post in customs administration after working at least 15 years, officials may participate in the assistant customs consultant qualification examination without the condition of vocational training.

(b) Provided that they meet the conditions referred to in paragraph 1, having resigned or retired from their post in customs administration after working at least 15 years, 3 years of which has been concluded as a customs examination official, senior customs official and customs deputy director, shall reserve the right to be delegated as deputy customs consultant without the condition of any examination or practical training.

3. Within 60 days following the submission of the necessary application documents, the Undersecretariat for Customs shall issue the Authorization License of Assistant Customs Consultant for those who have fulfilled the above-mentioned conditions. Only after receiving this license, may the Assistant Customs Consultants initiate to execute their professional activities.

ARTICLE 228-1. Except as stated in Article 227 paragraph 1 (f) (ii), a person may qualify as a customs consultant provided that he meets the conditions laid down in the same paragraph, that he renders a public service as assistant customs consultant for 3 years, and that he passes the examination covering the customs legislation and economic, trade and financial matters regarding customs.

2. (a) Having resigned or retired from their post after working in the Customs Administration for 10 years, including a public service of at least 3 years in the Administration as head of section, director for customs, director for customs enforcement, deputy regional director for customs and deputy regional director for customs enforcement; provided that they satisfy the conditions laid down in Article 227 paragraph 1, officials shall participate in the examination of customs consultancy without the condition of practical training. Upon any request, these persons shall be

granted the Authorization Licensee as Assistant Consultant, without the condition of examination and practical training.

(b) Having resigned or retired from their post after working in the Customs Administration at least for 10 years regional director for customs, regional director for customs enforcement, customs expert, controller, customs investigator, head of department and at a higher post, officials shall reserve the right to become a customs consultant without any condition of practical training or examination, provided that they satisfy the conditions laid down in Article 227 paragraph 1.

3. Those who have satisfied the conditions laid down in Articles 1 and 2 shall be granted by the Undersecretariat for Customs, the Authorization License of Assistant Customs Consultant within 60 days following the submission of the necessary application documents. Only after receiving such an authorization, may the customs consultants execute their professional activities.

ARTICLE 229-1 The customs consultants communicate in writing their office used in notification addresses, to the Regional Directorate for Customs where this office is affiliated to.

2. In the case that customs consultancy is executed under a legal personality, it is essential that the partners of legal personality become customs consultants. Where persons signing the customs declaration or other declaration papers know or should know the reason for tax loss, they and the legal person shall be jointly responsible towards the customs administration. Without prejudice to the personal penal responsibility of the customs consultant, the relevant customs consultant and the company shall be jointly responsible in respect of the duties and penalties charged by the customs administration.

ARTICLE 230- Without prejudice to the provisions set forth in special laws, the customs consultants shall be obliged to; keep for 5 years, the commercial or legal books, proxies and contracts, letters, fax, telegram and other papers written relating to their profession, and the originals and copies of the invoices, receipts and papers regarding their expenses; submit these documents to the customs investigators, assistant customs investigators, controllers and authorized chiefs and officials of customs; grant authorization for the inspection and control of these; and present these papers to the above-mentioned authorities.

TITLE XI

Penalties

CHAPTER ONE

General Provisions

ARTICLE 231- 1. The penalty provisions of this Law, shall apply to those who have violated the Law.

2. Irrespective of any deliberate act which entails a fine; fines shall be applied hereunder, and shall be determined by the administrative appeal bodies.

3. No further penalty shall be applied for those about whom a legal proceeding has been already taken and thus convicted of an offence more repressive than the penalties designated herein.

4. Where the same act concerns more than one of the penalties referred to in the articles herein, the article including more repressive penalty shall apply,

5. The application of the penalties in accordance with the provisions herein, shall not preclude the implementation of other administrative sanctions imposed on those who committed these acts.

ARTICLE 232-1. The fines to be collected under Article 234 shall be decided upon the assessment of duties or rejection of the administrative objection. Application to the administrative judiciary bodies shall not preclude the penal application of the customs administration. The prescription period of the fines to be decided hereunder, shall be effective as of the date of the finalizing assessment of duties.

2. The prescription period of the fines to be decided in accordance with the provisions herein (excluding paragraph 1), shall be effective as of the date on which the customs administrations have determined the irregularities referred to in the concerned articles.

3. Unless decided within 3 years and notified, fines referred to in paragraphs 1 and 2, shall be subject to prescription.

4. The fines finalized and notified to the concerned person, shall be subject to the Procedure Law on Collection of Public Claims, No. 6183.

ARTICLE 233- (a) 30 percent of the fines collected in compliance with Article 234 , shall be allocated for the denouncers who have contributed to the detection of the case requiring fine before any examination and analysis; while

(b) the 30 percent shall be allocated for those who have contributed to the detection of the case requiring fine through examination, analysis, control or inspection.

Under the conditions laid down by the Undersecretariat, the remaining amount of the fines shall be used in training, development and automation services of the administration. In the case that no denouncer exists, the amount allocated for the denouncer, shall also be used with regard to this provision.

CHAPTER TWO

Penalties to be charged on operations that result in tax loss

ARTICLE 234-1. As a result of any declaration, examination and control or release relating to goods subject to free circulation procedure or temporary relief arrangement;

(a) Apart from the existing duties, a threefold of these duties and shall be charged as fine in the case that any discrepancy occurs in the nature and characteristics of goods affecting the tariff treatment or in such measurements of goods as number and weight which are subject to taxation; and provided that the difference between the duties calculated pursuant to declaration, and the duties to be charged in accordance with the examination results, exceeds 5%.

(b) Apart from the customs duties regarding the deficit, a threefold of these duties shall be charged as fine in the case that the examinations and controls have demonstrated that the declared value of the goods subject to ad-valorem duties is deficient when compared with the value determined under of Articles 23 to 31.

2. In case of a difference less than 5% and in the deficient value declarations incurred from a formal account error, the customs duty regarding these differences as well as a fine at an amount of one fold of this duty, shall be charged.

3. Paragraphs 1 and 2 shall not apply for public institutions included in general and additional budget, and for public institutions, provincial administrations and municipalities. Under such circumstances, Article 241 (1) shall apply.

4. The amount of the fine charged hereunder, shall not be less than the amount referred to in 241 (1).

ARTICLE 235- Although guarantee has been provided, if the goods wholly or partly removed from warehouses or designated places by the customs administration, without commencing the customs formalities or without the authorization of the customs administration after completing them, threefold of these duties shall be charged as fine as well as export or import duties of the removed goods.

ARTICLE 236-1. Apart from the exportation and importation duties of the deficient goods, threefold of these duties shall be charged as fine; where some part of the goods have been demonstrated to be deficient as a result of the counting carried out in customs warehouses and in the areas designated by customs administration to place goods.

2. Apart from placing the goods under disposal as per articles 177 to 180, a fine at the amount of the export and import duties of the excessive goods, shall be charged; where excessive amount of goods have been detected as a result of the counting carried out in customs warehouses and in the areas designated by customs administration to place goods.

3. Due account being taken of the responsibilities of the warehouse keepers or depositors, the fines mentioned herein, shall be severally charged from these in accordance with the controls.

ARTICLE 237-1. In the default of demonstrating within the period prescribed by the customs administration, that the packages, proved to be deficient as a result of the amount registered in the summary declarations or the commercial or official papers used as summary declarations submitted to the customs administration by the owners, captains and agents of the vehicles, have not been loaded from their provenance or have been unloaded in another port or lost or stolen due to any accident or average; and provided that the tariff classification of the goods kept within these deficient packages can not be determined, a fine shall be charged on these goods, at an amount under their tariff classification or if tariff classification can not be determined, under the highest dutiable classification of the chapter in accordance with the nature and the description of the goods.

2. In the case that no fine may be determined in accordance with paragraph 1, for each deficient package, fines shall be charged at the amount referred to in Article 241 (1).

3. In default of demonstrating, within the period prescribed by the customs administration, that packages have been loaded at an amount exceeding the

amount in its provenance in accordance with the amount registered in the summary declarations submitted to the customs administrations by the owners, captains or agents of the vehicles in accordance with Articles 42 to 45 and registered in the commercial or official documents used as summary declaration; the mentioned goods shall be seized and confiscated, and a fine at the amount of CIF value of goods, shall be charged.

4. No proceeding shall be applied where deficiency and excessiveness in goods in bulk, do not exceed 3%.

5. The fines referred to hereunder shall be received from the owners, captains or agents of the vehicles.

ARTICLE 238- Violation from the provisions regarding the Inward Processing Procedure laid down in Articles 108 to 127 and the Temporary Importation Procedure laid down in Articles 128 to 134; shall require the collection of the duties relating to goods. In addition, a fine at the rate of two fold of this duty, shall be charged.

CHAPTER THREE

Fines Relating to Irregularities

ARTICLE 239- A fine at the rate of one tenth of CIF in the case that the goods are subject to importation, and a fine at the rate of one tenth of FOB in the case that goods are subject to exportation, shall be charged from; those who have without authorization imported or exported or attempted to import or export the goods subject to relief from export and import duties through other places other than the customs administrations specified in accordance with the provisions of Article 33; and those who have brought into or out such goods or who have attempted to bring into or out such goods, without going customs formalities, from the customs territory of the country.

ARTICLE 240- In the case that the declarant considers to place the mentioned goods under the procedure for the release of goods for free circulation in accordance with Article 179 (1); the fine at the rate of 1 percent of the CIF value of the goods on foreign currency, shall be charged as TL.

ARTICLE 241- 1. Without prejudice to the circumstances for which a separate penalty has been assigned, an irregularity fine of TL 30.000.000 shall be charged on those who have violated the formats and procedures laid down by the by-laws, regulations, notifications and instructions issued on the basis of this Law and the authorities granted therein.

2. The amount referred to in paragraph 1, shall be increased annually on the revaluation rate determined by the Tax Procedure Law, No. 213. In such a calculation, the amount up to TL 1.000.000 shall not be taken into consideration.

3. When compared with the amount referred to in paragraph 1, the irregularity fine shall be doubled where:

(a) Pursuant to Articles 6 and 7, the false presentation by the concerned persons, of the documents and information which form a basis for the decisions taken by the customs administrations;

(b) Even though it leads to no tax loss, existence of a sales transaction between the persons interrelated in accordance with Article 24; and no declaration of such relationship;

(c) Failing of the owners of the vessels or the relevant agency, arriving from the foreign ports or leaving the Customs Territory of Turkey for foreign ports, to inform the customs administrations at least before 3 hours of their arrival or departure;

(d) Failing to present, within the prescribed time, the summary declaration or the commercial or official document used as summary declaration in accordance with Article 42;

(e) Where the vehicles carrying transit goods by road within the Customs Territory of Turkey exceed, up to 24 hours, the duration prescribed pursuant to Article 91.

(f) Where a deficiency exists in the technical equipment of the customs warehouses mentioned in Article 93 (3);

(g) Failing of the warehousekeepers to record the goods subject to customs warehouse procedure on the date when these goods have been placed into the warehouses;

(h) Failing to conclude, in due time, the formalities, as required by the procedure, of goods brought into the Customs Territory of Turkey under of the procedure for processing under customs control;

(i) Having exceeded the prescribed period, returning of the goods temporarily brought out of the Customs Territory of Turkey;

(j) False declaration of the description, nature, amount or value of the goods which do not benefit of any export refunds or are not subject to export duties and commercial policy measures;

(k) Non-compliance of those working in or entering and leaving the freezones, with the rules laid down by this Law.

(l) Failing to keep the documents referred to in Article 13, for a duration of 5 years.

4. When compared with the amount referred to in paragraph 1, the irregularity fine shall be quadrupled where:

(a) even though he is not authorized to represent in accordance with Article 5; where a person proceeds a transaction in the name or on behalf another in the customs administrations;

(b) Contrary to Article 34 (2), road vehicles, without being granted the authorization of the customs administration, carry on their journey by embarking and disembarking travellers or load;

(c) Contrary to Article 45 (1) and without presenting the customs administration the summary declaration or the commercial or official document used as summary declaration; unloading goods from vehicles, false declaration of the description of the goods registered in these documents or non-conformance of the kind of package and the numbers and marks indicated thereon, with the registrations of the summary declarations;

(d) Vehicles carrying transit goods by road into the Customs Territory of Turkey exceed, up to 48 hours, the period prescribed in accordance with Article 91;

(e) Contrary to Articles 94 and 154, goods, brought into general warehouses and free zones and which are flammable and explosive or which present a danger or are likely to spoil other goods or which require special facilities and equipment for their preservation, are stored in general premises;

(f) Placing of the goods in warehouses under handling referred to in Article 102, without authorization of the customs administrations.

5. When compared with the amount referred to in paragraph 1, the irregularity fine shall be charged as sixfold where vehicles carrying transit goods by road into the Customs Territory of Turkey exceed, up to 72 hours, the period prescribed in accordance with Article 91.

6. When compared with the amount referred to in paragraph 1, the irregularity fines shall be charged as eightfold, where;

(a) Contrary to Article 34 (3), vessels arriving from the ports out of the Customs Territory of Turkey change their route, wait in the course of the journey, contact with other vessels, do not make their way enough for customs supervision or draw near places where no customs office exists;

(b) Vehicles travel on the roads other than those predestined in Articles 33 and 91;

(c) Vehicles carrying transit goods by road into the Customs Territory of Turkey exceed, up to 72 hours, the period prescribed in accordance with Article 91.

TITLE XII

Appeals

ARTICLE 242-1. Within 15 days from the notification of the customs duties, the debtors shall reserve the right to apply to the customs administration with a petition concerning the correction.

2. The relevant customs administration shall decide on the request for the correction within 30 days, and shall notify the debtor hereof.

3. Any person shall have the right to appeal, within 7 days, before the Regional Directorate for Customs to which the decision making customs administration is affiliated, against the decisions regarding the requests for correction, administrative decisions, customs duties and penalties.

4. Appeals received by the regional customs directorates shall be decided within 30 days and notified to the relevant person.

5. Where the first decision has been taken in the regional directorate of customs, it shall be appealed, within 15 days, before the Undersecretariat for Customs against that decision.

6. Appeals received by the Undersecretariat for Customs shall be decided within 45 days and notified to the relevant person.

7. Any person shall have the right to appeal before the administrative judiciary bodies where the Directorate for Customs or Regional Directorate for Customs are located in which the formalities relating to the decisions of the Regional Directorates for Customs and Undersecretariat for Customs are carried out.

ARTICLE 243-1. Within 15 days as from the notification, any person shall have the right to appeal in writing before the Regional Directorate for Customs against the chemical analysis results taken as a basis in the calculation of the customs duties notified to the relevant persons in accordance with Article 197.

2. Upon an appeal, second analysis shall be made by two chemists other than the chemist who works in the laboratory where he made the first analysis. Upon request, the customs administrations shall authorize an observer chemist who is not a customs chemist, to be involved in the second analysis.

Where an appeal has been lodged against the analysis made in the customs laboratories in which not more than three chemists work, the second analysis shall be made in the laboratory in which at least two chemists work and which is affiliated to the nearest customs administration.

On condition that it will be returned if they are proved right, an analysis charge shall be received from those who apply for a second analysis. Through consultation with relevant institutions, analysis tariffs shall be determined by the Ministry to which the Undersecretariat is affiliated.

3. The result of the second analysis shall be precise in respect of the determination of technical features and nature of the goods.

ARTICLE 244- The appeal of the relevant persons shall not be considered; where the customs administration has been notified in writing that the fines hereunder have been paid or shall be paid by the relevant person within 15 days as from the notification of the penalty decisions, without appealing before the administrative judiciary bodies against the mentioned fines; and where the amount of the fines has been paid within 2 months as from the notification of the penalty decisions.

In such a case, the fines shall be collected at a deficiency rate of one third.

ARTICLE 245-1. On the basis of the declaration presented to the customs administration and the information and documents attached therein; the debtors shall not have the right to appeal against the customs duties directly calculated by themselves.

2. No documents and data other than those used in appealing before the customs administration, shall be used in the appeals before the administrative judiciary bodies.

3. Appeals before the administrative judiciary body against the decisions, shall not preclude the implementation of this decision by the administration.

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TITLE XIII

The Repealed Provisions, Provisional Articles and Entry into Force

CHAPTER ONE

Repealed Provisions

ARTICLE 246- As of the entry into force of the Law, the below have been repealed;

(a) Articles 113,117 and 118 of the Customs Law dated April 1334 and the Articles 112 and 116 of the same law amended by the Law dated 07.06.1926 and No. 906;

(b) The Law dated 30.11.1960 and No. 146;

(c) The Customs Law dated 19.07.1972 and No. 1615, and the amending laws dated 25.02.1981 and No. 2419, 18.04.1983 and No. 2817, 22.05.1987 and No. 3375, 10.02.1994 and No. 3968, 03.04.1997 and No. 4236; and Article 55 of the Law dated 07.02.1990 and No. 3612;

(d) Decree Having the Force of Law dated 30.06.1995 and No. 564;

(e) Articles 15 and 16 of the Law on Prevention and Investigation of Smuggling, dated 7.1.1932 and No. 1918.

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CHAPTER TWO

Provisional Articles

PROVISIONAL ARTICLE 1-1. The repealed Customs Law shall apply with regard to the maximum duration of storage and the relevant extension applications of the goods kept, in the temporary stores of the Customs Territory of Turkey or the places designated for placing goods, on the date this Law took effect.

2. The maximum duration of storage of the goods kept, on the date this Law took effect, in the general, special-purpose or specific warehouses, shall be subject to the provisions of this Law.

PROVISIONAL ARTICLE 2- Provided that, on the date the Law has taken effect, a procedure declaration has been made with regard to goods, the provisions in favor of the debtor entitled as the declarant shall be applied in carrying out the customs formalities which have not yet been concluded.

Requests of the declarants for changing procedure relating to the goods the declaration of which has been registered, shall be accepted provided that they are made within 45 days as from the date the Law has taken effect. However, acceptance of such requests shall not preclude the implementation of the penalty decisions whether or not made or to be made.

PROVISIONAL ARTICLE 3-1. In other laws where reference is made to the Ministry of Customs and Monopoly and in issues relating to the duties and authorities of the Undersecretariat for Customs where reference is made to

the Ministry of Finance and Customs, those references shall be deemed to refer to the Undersecretariat for Customs.

2. In other laws still in force, where references are made to the Customs Law No. 1615 and the laws that have amended this Law, those references shall be deemed to refer to this Law.

PROVISIONAL ARTICLE 4- The Article 179 shall apply in the case that the invitation to auction relating to goods subject to disposal, has not yet been carried out or retail sale of which has not yet been decided; and the declarant applies to the customs administration within 30 days as from the date this Law took effect.

This Article shall not apply for goods subject to restriction of foreign trade.

PROVISIONAL ARTICLE 5-1. The Authorization License of Assistant Customs Broker shall be granted to the those who have borne the Assistant Customs Broker Carnets before the taking effect of this Law; in the case that they apply to the Undersecretariat for Customs within 2 years as from the taking effect of this Law; and they carry on meeting the conditions referred to in Article 227.

Provided that those who have qualified as assistant customs consultants, are at least high school graduates, they shall reserve the right to take the first three assistant customs consultant examinations.

2. The holder of the customs broker carnets shall be granted the Authorization of Customs Consultancy upon their application to the Undersecretariat for Customs within 2 years as from taking effect of this Law, provided that they carry on meeting the conditions referred to in Article 227 without the educational criteria.

3. Subsequent to their resignation or retirement from their duties, those who have been entitled to be customs broker or assistant customs broker in accordance with Article 167 (2) and (3) and Article 168 (3) of the repealed Customs Law No. 1615, shall be granted, under this Law, the authorization license of customs consultant or assistant customs consultant on the date the Law took effect.

4. In the case that lawsuits regarding the offences referred to in Article 227 (1) (d), still exist; irrespective of the application period of two years mentioned in paragraphs 1 and 2, an application shall be made to the Undersecretariat within a year in any case as from the judgement in favor of the applicant.

PROVISIONAL ARTICLE 6- The below-mentioned provisions shall be applied until the regional directorate for customs to which customs consultants and assistant customs consultants are affiliated, will be organized as a public vocational institution under a law to be adopted;

1. While the Customs Brokers' Associations, established under the Customs Law No. 1615, shall carry on its activities, the Undersecretariat for Customs shall make examinations and grant authorization.

(a) The examinations of customs consultant and assistant customs consultant shall be, within the conditions and rules laid down by the Undersecretariat, made once every year.

(b) Those who have met the conditions referred to in articles 227 and 228, at the very beginning of the year in which examination is made, shall have

the right to apply for taking the examinations of customs consultant or assistant customs consultant.

(c) One shall have the right to take the examinations of customs consultant and assistant customs consultant, three times at maximum.

2. With an aim to render the customs consultancy services in an appropriate way, those who have defamed the dignity and honor of the profession of customs consultancy or assistant customs consultancy, who have not fulfilled or deficiently fulfilled their duties or who have abused their duties shall be subject to the discipline penalties mentioned below in accordance with the characteristics and importance of the circumstances.

(a) Warning: The written notification to the member of profession mentioning that he should pay more heed in fulfilling his duties.

(b) Condemnation: The written notification to the member of profession mentioning that he acted erroneously in fulfilling his duties and attitudes.

(c) Temporary deprivation from rendering professional activities: Without prejudice to his professional title, deprivation of the member of profession to render professional activities for a period not less than six months and not more than one year.

(d) Dismissal from profession: Invalidation of his license and no longer allowing the consultant to execute the same profession.

3. Those who have defamed the dignity and honor of their profession and who have acted detrimentally to the professional confidence shall be firstly subject to warning and then if recurred then to condemnation.

Those who have who have not performed their duties in an independent objective and honorable manner or performed by default or violated general professional principles laid down in this Law shall be subject to temporary deprivation from rendering professional activities.

Where the investigative officials of the Undersecretariat for Customs report that a false declaration has been made on the basis of false documents without the knowledge of the customs consultant and that the real case will be learned by an investigation; the relevant customs consultant shall be firstly subject to the penalty of condemnation. In the recurrence of such a case, the consultant shall be subject to the penalty of temporary deprivation from rendering professional activities.

The penalty of dismissal from profession shall be applied to the members of profession convicted on smuggling in accordance with the Law on Prevention and Investigation of Smuggling dated 7.1.1932 and No. 1918.

4. Having involved, within the last three years, in an offence which requires two or more discipline penalties; the members of profession may be subject to a more repressive penalty for any new offence that they may commit. Where, subsequent to their double punishment, within a period of five years, by the penalty of deprivation from rendering profession, members of profession committing the same offence again, shall be subject to the penalty of dismissal from profession.

Discipline boards shall have the authority to decide on the implementation of more repressive or attenuated penalties. The proceeding and the establishment of conviction shall not preclude the discipline investigation and discipline penalty.

5. Members of profession shall not be subject to any discipline penalty without his defense. Those who have not plead not less than ten days within the period prescribed by the authorized discipline board, shall be deemed to have waived from their right to plead. Discipline penalties shall be applied as from the date of their finalization.

6. In return for the offences they have committed in fulfilling their duties or due to their duties, the customs consultants and assistant customs consultants shall be punished in accordance with the provisions of the Turkish Penal Code concerning the public servants.

7. In the case that they have not been implemented for 3 years as from the demonstration of the customs administrations that they are contrary to the provisions of the legislation without any dependence on the result of a tribunal case; the discipline penalties shall be subject to prescription. Where the formalities and actions contrary to the legislation are subject to judicial investigation, the discipline penalty may be applied in accordance with the prescription provisions in the Turkish Penal Code.

8. The penalties mentioned in paragraph 2 shall be imposed as following; the warning and condemnation penalties shall be imposed by the authorized regional customs director; the penalty of temporary deprivation from rendering profession duties shall be imposed by the Central Discipline Board of the Undersecretariat; and the penalty of dismissal from office shall be imposed by the Supreme Discipline Board of the Undersecretariat.

9. The customs investigators, assistant investigators, controllers and regional directors for customs shall, as a precaution, reserve the right to seize temporarily the license of the customs consultants and assistant customs consultants who have violated the provisions of the legislation and they shall be deprived to fulfil their duties. The Undersecretariat shall be informed about this case on the day following the seizure of the license. In the case that the penalty of depraving temporarily from rendering professional activities is applied for those whose licenses have been seized in this way; the period of the seizure of the license shall be deducted from the period of the penalty.

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CHAPTER THREE

Entry into Force and Execution

ARTICLE 247- This Law shall enter into force after three months following its publication in the Official Gazette.

ARTICLE 248- The Council of Ministers shall execute the provisions of this Law.