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Committee on Rules of Origin

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**NOTIFICATION OF PREFERENTIAL RULES OF ORIGIN FOR
LEAST DEVELOPED COUNTRIES**

TURKEY

The following communication, dated 16 September 2019, is being circulated at the request of the delegation of Turkey.

Paragraph 4.3 of the 2015 Ministerial Decision on preferential rules of origin for least developed countries (WT/L/917/Add.1) requires preference-granting Members to notify preferential rules of origin as per the established procedures¹. In addition, as mandated by the Ministerial Decision, the Committee on Rules of Origin agreed, at its meeting of 2 March 2017, to a template for such notifications (G/RO/84).

Following such requirements, the following revised notification has been received from: Turkey.

A. BASIC INFORMATION

1)	Notifying member	Turkey
2)	Date of entering into force of Rules of origin and any substantive modification thereof	Rules of origin are applicable since 2002 and last substantive modification was made on 26/12/2018.
3)	Date of expiration of Rules of origin if applicable	Not applicable.
4)	Title of the preferential scheme for which legislation on Rules of origin is applicable	Ministerial Decree No 2014/7064 on "Determination of Origin of Goods Benefiting from Preferential Regime for the Purposes of the Generalised System of Preferences"
5)	Authority(ies) granting the preferential treatment	Ministry of Trade (Former Ministry of Economy)
6)	National authorities in charge of Rules of origin administration	Ministry of Trade (Former Ministry of Customs and Trade)

¹ The relevant notification requirements are contained in Paragraph 2(d) of Annex 1 of the Transparency Mechanism for Preferential Trade Arrangements (WT/L/806) and in Paragraph 4 of Annex II of the Agreement on Rules of Origin.

B. INFORMATION ON RULES OF ORIGIN**I. BENEFICIARIES**

1)	List of Beneficiaries	See list published in: https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/turkeys-generalised-system-of-preferences-and-list-of-gsp-beneficiary-countries
2)	Eligibility	See link below: https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/registered-exporter-rex-system

II. CRITERIA FOR DETERMINING SUBSTANTIAL TRANSFORMATION

1) General criteria, if applicable for all products		
	(a) Definition of wholly obtained products	According to of Article 6 of the Ministerial Decree No. 2014/7064, the following products shall be considered as wholly obtained in Turkey or in a beneficiary country: a) mineral products extracted from its soil or from its seabed; b) plants and vegetable products grown or harvested in Turkey or in a beneficiary country; c) live animals born and raised in Turkey or in a beneficiary country; ç) products from live animals raised in Turkey or in a beneficiary country; d) products from slaughtered animals born and raised in Turkey or in a beneficiary country; e) products obtained by hunting or fishing conducted in Turkey or in a beneficiary country; f) products of aquaculture where the fish, crustaceans and molluscs are born and raised in Turkey or in a beneficiary country; g) products of sea fishing and other products taken from the sea outside territorial waters of Turkey or a beneficiary country by its vessels; ğ) products made on board its factory ships exclusively from the products referred to in point (h); h) used articles collected in Turkey or in a beneficiary country fit only for the recovery of raw materials; ı) waste and scrap resulting from manufacturing operations conducted in Turkey or in a beneficiary country; i) products extracted from the seabed or below the seabed which is situated outside its territorial sea but where it has exclusive exploitation rights; j) goods produced exclusively from products specified in points (a) to (i).
	(b) Describe the criteria for not-wholly produced products	Products which are not wholly obtained in the beneficiary country within the meaning of Article 6 of the Ministerial Decree No. 2014/7064 shall be considered to originate in a beneficiary country provided that the conditions laid down in Annex-2 (Product Specific Rules - PSR) of the Ministerial Decree No. 2014/7064 for the goods concerned are fulfilled. The link to Annex 2 can be found through the link provided in B.I.1 of this document.
	(c) Insert the formula for calculating <i>ad valorem</i> percentage	For further explanation, please see Box 2(b) of this document.

2) Product specific rules of origin, where applicable		
	(a) Insert the link where the complete list of product specific rules of origin can be found.	http://unctad.org/en/PublicationsLibrary/itcdtsbmisc74rev1_en.pdf page 46 and ff. or https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/turkeys-generalised-system-of-preferences-and-list-of-gsp-beneficiary-countries
	(b) Insert the formula for calculating <i>ad valorem</i> percentage, when applied for product specific rule	<p>There is no specific formula for calculating <i>ad valorem</i> percentage. PSR is based on compliance with specific working and processing methods or usage of maximum content of non-originating materials as shown in Annex 2 of the Ministerial Decree No. 2014/7064.</p> <p>Where a product specific rule foresees the maximum content of non-originating materials which is permitted in order to consider a manufacture as working or processing sufficient to confer originating status on the product (This content may be expressed as a percentage of the ex-works price of the product or as a percentage of the net weight of these materials used falling under a specified group of chapters, chapter, heading or sub-heading.), an average ex-works price of the product and average value of non-originating materials used shall be calculated respectively on the basis of the sum of the ex-works prices charged for all sales of the products carried out during the preceding fiscal year and the sum of the value of all the non-originating materials used in the manufacture of the products over the preceding fiscal year.</p> <p><u>Ex-works price:</u> The price paid for the product ex-works to the manufacturer in whose undertaking the last working or processing is carried out (The price includes the value of all the materials used and all other costs related to its production, minus any internal taxes which are, or may be, repaid when the product obtained is exported. Where the actual price paid does not reflect all costs related to the manufacturing of the product which are actually incurred in the beneficiary country, the ex-works price means the sum of all those costs, minus any internal taxes which are, or may be, repaid when the product obtained is exported.).</p>
3)	Definition of non-originating material and originating material, if any	<p>The following products shall be considered as originating in Turkey or a beneficiary country:</p> <ol style="list-style-type: none"> products wholly obtained in Turkey or a beneficiary country within the meaning of Article 6 [of the Ministerial Decree No. 2014/7064]; products obtained in Turkey or a beneficiary country incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing within the meaning of Article 7 [of the Ministerial Decree No. 2014/7064].
4)	List of insufficient working process, if any	<p>The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Article 7 [of the Ministerial Decree No 2014/7064] are satisfied:</p> <ol style="list-style-type: none"> Preserving operations to ensure that the products remain in good condition during transport and storage; Breaking-up and assembly of packages; Washing, cleaning; removal of dust, oxide, oil, paint or other coverings; Ironing or pressing of textiles and textile articles; Simple painting and polishing operations; Husking and partial or total milling of rice; polishing and glazing of cereals and rice Operations to colour sugar or form sugar lumps; partial or total milling of crystal sugar;

		<ul style="list-style-type: none"> g) Peeling, stoning and shelling, of fruits, nuts and vegetables; ğ) Sharpening, simple grinding or simple cutting; h) Sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles); i) Simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations; i) Affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging; j) Simple mixing of products, whether or not of different kinds; mixing of sugar with any material; k) Simple addition of water or dilution or dehydration or denaturation of products; l) Simple assembly of parts of articles to constitute a complete article or disassembly of products into parts; m) A combination of two or more of the operations specified in points (a) to (l); n) Slaughter of animals.
5)	Rules for application of cumulation and related procedures if any	<p>There are 3 kind of cumulation foreseen in Turkey's GSP scheme:</p> <ul style="list-style-type: none"> 1) Bilateral Cumulation (with Turkey) 2) Cumulation with Norway, Switzerland and the European Union. 3) Regional Cumulation (within the same regional group of countries as described in Article 16 of Ministerial Decree No. 2014/7064). <p>Please see for further information: http://unctad.org/en/PublicationsLibrary/itcdtsbmisc74rev1_en.pdf page 12 and ff.</p>
6)	Any other information that member deems necessary	-

III. DOCUMENTARY REQUIREMENTS

1) Certificate of origin and other proofs of origin		
	(a) Requirement for certificate of origin and/or any other proof of origin, if any	<p>Turkey accepts</p> <ul style="list-style-type: none"> - certificate of origin Form A, or - "Statement on origin" given by the exporters who are registered to the Registered Exporter System (REX) and shall be made out on any commercial document on which the exporter and the goods concerned obviously appear. It may be made out on a commercial invoice or a delivery note relating to the consignment or a commercial document issued in detail that adequately allows the identification of the goods involved. It shall be made out by the exporter and provided to the importer in Turkey. The exporter shall not be required to sign the statement on origin. - "Invoice declaration" made out properly by the exporter on an invoice, a delivery note or any other commercial document, may be made out by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed €6,000.
	(b) Authority to be designated for issuance of certificate of origin	<p>Turkey does not designate competent authorities in beneficiary countries for issuing certificate of origin Form A. Turkey leaves this field to the initiative of beneficiary countries' government as long as provisions of Article 4 and 31 (Administrative Cooperation with Turkey) of the Ministerial Decree No. 2014/7064 are satisfied by that beneficiary country.</p>

	(c) Prescribed form of Certificate of origin and/or any other proof of origin	<p>Certificates of Origin Form A, Statement on Origin and Invoice Declaration provided to support a claim of origin under the Turkish GSP arrangement must meet the requirements as indicated in the Turkish GSP manual.</p> <p>The Turkish GSP manual can be found at http://unctad.org/en/PublicationsLibrary/itcdtsbmisc74rev1_en.pdf</p> <p>Also please check for additional information: https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/turkeys-generalised-system-of-preferences-and-list-of-gsp-beneficiary-countries</p> <p>https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/registered-exporter-rex-system</p>
	(d) Any other procedures applied for certificate of origin and/or any other proof of origin, if any	-
2) Direct shipment		
	(a) Rules applicable for direct shipment, if any	<p>There are direct shipment/consignment requirements. Pursuant to Article 21 of Ministerial Decision No. 2014/7064, the Turkish Customs Administration may seek further evidence of non-alteration during the consignment which may be split prior to being declared for release for free circulation to Turkey.</p>
	(b) Documentary requirement for proof of direct shipment including when the transport of consignment involves transit through one or more intermediate countries, if any	<p>There is no specific proof of direct shipment/consignment requested.</p> <p>The customs authorities may request the declarant to provide evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading or factual or concrete evidence based on marking or numbering of packages or any evidence related to the goods themselves.</p>

IV. VERIFICATION AND PENALTIES

1)	Procedure for verification of proofs of origin	<p>Subsequent verifications of certificates of origin Form A and invoice declarations shall be carried out at random or whenever the customs authorities have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of Ministerial Decision No. 2014/7064.</p> <p>For the purpose of subsequent verification, the Turkish Customs Offices shall return the certificate of origin Form A and the invoice, if it has been submitted, the invoice declaration, or a copy of these documents, to the competent governmental authorities in the exporting beneficiary country giving, where appropriate, the reasons for the enquiry.</p> <p>For the statement on origin, the Ministry may request the subsequent verification of the statements and replacement statements on origin at random or when there is a reasonable doubt as to their authenticity, the originating status of the goods concerned or the fulfilment of other requirements within the scope of the Ministerial Decree No. 2014/7064.</p> <p>A copy of the statements on origin or the replacements statement on origin and any document and information suggesting that these statements are incorrect may be forwarded to the competent authority of the Beneficiary Country in support of the request for subsequent verification.</p>
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2)	Penalties for fraud and false declarations	Provisions of the Customs Law (No. 4458) of 27 October 1999 and Law on Fight Against Smuggling (No. 5607) of 21 March 2007 and other relevant legislation in force shall apply to the acts contrary of this Decision.
3)	Authorities and procedures for appeal in the case of dispute on verification	Traders have right to appeal to review by the Turkish Custom Offices provided for in Article 6 of Turkish Customs Code.
4)	Requirement for preserving the documents related to issuance of certificate of origin	Certificates of origin Form A, all appropriate documents proving the originating status of the products concerned and as well as any export documents referring to them shall be kept for at least three years from the end of the year in which the certificate of origin Form A was issued. For Statement on Origin, In addition to the ones specified in the Ministerial Decree No. 2014/7064, exporters and registered exporters shall keep for at least 3 years from the end of the calendar year in which the statement on origin was made out, or a longer period of time if required by their national law, records of the statements on origin they made out and their originating and non-originating materials, production and stock accounts.
5)	Any other relevant information	-

V. REFERENCE TEXTS

(a)	The legislative texts in one of the official WTO languages containing the preferential rules of origin applicable under a PTA granted under the Decision on Measures in Favour of Least-Developed Countries (Annex F of the Hong Kong Ministerial Declaration)	http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1703 or https://uaabgm.ticaret.gov.tr/mevzuat/genellestirilmis-tercihler-sistemi-generalised-system-of-preferences/turkeys-generalised-system-of-preferences-and-list-of-gsp-beneficiary-countries
(b)	The full text of the administrative regulations concerning modalities for issuance, acceptance, retrospective issuance and replacement of certificates of origin or any equivalent declarations to be made, including any requirements related to stamps to be used along with notification of stamps	
(c)	The full text and related administrative regulations of the modalities for the proof of movement of the consignment of the goods from the beneficiary countries to preference-giving countries including transit through third countries	
(d)	The full texts of the modalities of the verification procedures and related penalties	Links as above or https://uaabgm.ticaret.gov.tr/mevzuat/gumruk-kanunu-customs-code/turkish-customs-code