GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade in Industrial Products
Group 4 - Licensing

REPLIES TO THE QUESTIONNAIRE ON LICENSING

Addendum

TURKEY

1. Under the import régime, there are three types of licences for imports carried out in accordance with the import lists published by the Government each year.

The import lists are the following:

(a) The two liberalization list Nos. I and II;
(b) The import quota list;
(c) The quota lists annexed to bilateral agreements.

Only goods included in these lists may be imported.

2. (a) To import goods included in liberalization list No. I, an import permit must be obtained for customs clearance of the goods; the permit is issued automatically by the Central Bank;

(b) To import goods included in liberalization list No. II, an authorization certificate (Annex I) must be obtained from the Ministry of External Economic Relations;

(c) The import quota list shows the quotas allocated respectively to importers and manufacturers.

For imports of goods under importers' quotas, a foreign exchange allocation document must be obtained, indicating the amount of foreign exchange made available to the applicant; this document is issued by the Central Bank on the instructions of the Ministry of External Economic Relations.

Annexes I to IV are not reproduced in this document; they are available for consultation in the secretariat.
For imports of products falling within the manufacturers' quotas, a "requirements certificate" must be obtained; this is issued by the Ministry of External Economic Relations, which takes into account the comments made by the Government authorities concerned with the particular product (Annex 2).

3. The system applies without distinction to imports originating in and coming from all countries. Bilateral clearing arrangements are subject to the appropriate special system.

4. The authorization certificates required in the case of imports under liberalization list No. II are designed to ensure health, plant health, agricultural control, etc. These licences are automatic.

The allocation document and the requirements certificate are designed to ensure that quotas limited by foreign exchange reserves are equitably apportioned among applicants.

5. Under Article 1 of Law No. 3614 and Articles 12 and 13 of Law No. 5382, the Council of Ministers is empowered to take all necessary measures in regard to the import system.

Under the decree on the import system, the Council of Ministers has delegated its authority to the Ministry of External Economic Relations.

The Ministry is empowered to select the products subject to licensing or to eliminate the system without having to obtain legislative approval, and taking into account the country’s foreign exchange availabilities and its requirements.

6. (a) Import formalities and maximum quantities of products under licensing are published by the Ministry of External Economic Relations; one basic principle of the system is that all decisions taken by the Government are published.

Manufacturers can estimate their allocations in advance, because manufacturers' quotas are apportioned according to each manufacturer’s capacity and actual use of earlier quotas.

Importers do not have the same possibility of estimating their allocation because they are very numerous and each importer is entitled to submit an application.

(b) The size of the quotas is determined on a yearly basis; licences under the quotas are issued on a six-monthly basis.

(c) Partial use of quotas is prohibited. A deposit system is applied in order to ensure that licences are actually used and that imports are carried out as early as possible. If licences are not used, part of the deposit goes to the Treasury.
The names of importers to whom licences have been allocated are not published for reasons of trade secrecy.

(d) Licence applications must be submitted in January and July for the quota lists published at the beginning of each calendar year.

(e) There are no time-limits for the processing of applications.

(f) The import period runs as from the date of issue of the licence.

(g) Applications are examined by the Ministry of External Economic Relations. For certain products, licence applications must be submitted to the Ministries or specialized departments mentioned in import lists. In such cases the applications are passed on by the Ministry or department concerned, with comments, to the Ministry of External Economic Relations.

(h) If applications exceed the total amount of the quota, the latter is then shared out equitably among the applicants. Account is taken of all applications submitted in January and July. Each importer may apply for a maximum of 40 per cent of the total volume. There is no discrimination as between new and existing importers.

(i) Import licences are also necessary for imports under bilateral quotas. They are issued in accordance with the accounts situation, trends in trade and national requirements.

(j) No account is taken upon importation of the export permit issued by the exporting country.

(k) Raw materials, auxiliary materials, equipment and packaging materials imported under special licence by exporters or manufacturers exclusively for their export requirements may not be sold in the domestic market.

7. The products that are not subject to quantitative limitations are indicated in the liberalization lists (see reply to questions 2(a) and (b) above).

8. At present, a licence application may be refused if the prices are considered too high in relation to world market prices.

The authorities have nevertheless decided to apply the following criteria:

(a) Foreign exchange availabilities;

(b) national requirements, in particular existing stocks;
(c) All licence applicants will be required to furnish information on the amount of income tax and corporation tax paid, as well as the amount of taxes paid on transactions by importers or exporters during the three preceding years;

(d) concordance between the price and the characteristics of imported products;

(e) period for effecting importation and placing the product on the domestic market;

(f) concordance of sale prices of products offered in the domestic market.

9. Licence applications may be made only by individuals or corporate bodies holding an importer's certificate. This certificate is not required, however, in the case of applications by manufacturers, exporters, mining or construction undertakings, ship-owners, and tourist establishments with respect to imports intended solely to meet the needs of their professional activities (see Annex 3 for the text of the regulation).

10. Applications must be submitted on an application form (Annex 4), to which must be attached a specification and a pro-forma invoice for verification of prices.

11. The documents required upon actual importation are the following:

   (a) Import licence
   (b) Invoice
   (c) Bill of lading
   (d) Insurance policy
   (e) Customs declaration (import)

12. No.

13. Yes. The deposit required on imports under liberalization lists is at the following rate:

   (a) 50 per cent for products in list No. I.

   (b) 40 per cent for products in list No. II, based on the counterpart in Turkish currency of the foreign exchange requested.
For imports under the quota list, the rate of the deposit is as follows:

(a) 25 per cent for products in the importers' quota list;
(b) 10 per cent for products in the manufacturers' quota list.

No deposit is required in respect of imports by the public sector.

The deposit is reimbursed in full to the importer once the importation has been effected.

The purpose of this requirement is to ensure on the one hand, that applications are well-founded and on the other hand, that the goods are actually imported within a reasonable period.

14. The period of validity of a licence is five months with no possibility of extension. In cases of force majeure, new licences may be granted.

15. In case of non-utilization of a licence, all or part of the deposit goes to the Treasury.

16. No, except for imports carried out through an authorized agent. After the allocation of quotas, if the share of each applicant is less than £1,000, the licencees may agree to appoint an authorized agent so that the import transaction is carried out on a collective basis and the orders have some commercial significance.

17. No.

18. No.

19. Foreign exchange is automatically provided, because the quotas are determined and published in the light of foreign exchange availabilities. Applicants need only approach the Central Bank through their own banks in order to obtain foreign exchange.