GENERAL AGREEMENT ON
TARIFFS AND TRADE

REPLIES TO THE QUESTIONNAIRE ON LICENSING

TURKEY

Revision

Outline of systems

1. Import licences are required for all imports into Turkey. Private individuals and corporate bodies are required to secure an "importer's certificate" before submitting applications for licences to import goods.

Imports are effected on the basis of annual programmes. Each annual programme is prepared by the Ministry of Commerce, upon consultation with the Ministry of Finance, other interested Ministries, the Central Bank, and other organizations such as the State Planning Organization, Union of Chambers of Commerce and Industry.

Import programmes classify imports into three categories:

(a) a list of liberalized goods which is divided into two parts (Lists I and II) for which import licences are issued automatically, with no quantitative restrictions;

(b) a list of goods subject to global quotas;

(c) bilateral quota lists annexed to bilateral payment agreements.

Goods listed in the first two categories can in principle only be imported from countries other than those with which Turkey maintains bilateral payments agreements. All goods not included in either of these two categories cannot be imported under the bilateral quotas.

Bilateral quota imports from bilateral payments agreement countries are made in accordance with the amounts specified on the lists annexed to these agreements.

Purposes and coverage of the licensing

2. (a) There are no limits as to either value or quantity of goods imported under liberalized lists. Import licences are issued automatically and applications for import licences for goods on the liberalized list may be submitted at any time
to authorized banks, which transfer them to the Central Bank for issuance of import licences. However, for goods to be imported under List II, prior approval of the appropriate government department is required for quality and health control purposes.

(b) The list of import quotas contains quotas for registered importers and industrialists. Quotas for registered importers and industrialists are allocated twice a year. Foreign exchange allocations for all quota imports within the limits established for each quota item are made by the Ministry of Commerce. Registered importers have to submit their applications through an authorized bank and the Central Bank to the Ministry of Commerce at defined periods. The Ministry of Commerce issues a foreign exchange allocation certificate valid for three months, during which an import licence must be secured from the Central Bank. Applications for imports against industrialists' quotas have to be submitted to the Ministry of Commerce through the Chambers of Commerce and Industry in April and September of each year.

Applications for quota imports requiring a special permit from a specified public authority must be submitted to the responsible body by importers and industrialists. An import licence must then be secured from the Central Bank within the period of validity of the foreign exchange allocation certificate issued by the Ministry of Commerce.

(c) Separate quotas are set up for imports from bilateral payments agreement countries. The import licensing procedure for goods from these countries is the same as under global quotas.

3. The system is applied without discrimination as to the source of imports. Imports from bilateral payments agreement countries are subject to a special system.

4. The authorization certificates required for imports under liberalization List No. II are designed to ensure the requirements of human and plant health and to secure quality control. These licences are automatic.

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

5. Under Articles 1 and 7 of Law No. 3614 and Articles 19 and 20 of Law No. 1615, the Council of Ministers is empowered to take all necessary measures in respect of the import procedures.

Under the decree on the import system, the Council of Ministers has delegated its authority to the Ministry of Commerce.
Thus, the Ministry of Commerce is empowered to adopt and implement import procedures, in consultation with other relevant ministries and public bodies, taking into account the country's foreign exchange availabilities and its needs and requirements.

Procedures

6. (a) Import formalities and in the case of imports subject to global quotas, maximum amount of products to be imported are published by the Ministry of Commerce. Therefore, the basic principle of the system is that all decisions taken by the Ministry of Commerce or other relevant ministries are published in the Official Gazette to secure transparency and equity among importers.

It is possible for industrialists to estimate their allocations in advance since these quotas are apportioned according to each industrialist's production capacity and utilization of previous quotas.

(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 licences is subject to a financial penalty. A deposit system is applied in order to ensure that licences are entirely used and that imports are carried out as early as possible. If licences are not used, the deposit corresponding to the unused portion of the licence is credited to the accounts of the Treasury.

The names of importers to whom licences have been allocated are not published for reasons of trade secrecy.

(d) Importers' licence applications must be submitted in February and August 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 from the date of issuance of the licences.

(g) Applications are examined by the Ministry of Commerce. For certain products, licence applications must be submitted to the authorized ministries or specialized departments indicated on the import lists.

(h) If applications for a quota exceed its total amount, the quota is then generally distributed on a pro rata basis among the applicants. All applications submitted in February and August are taken into account. Each importer may apply for a maximum of 50 per cent of the total value of each quota. There is no discrimination between new and existing importers.
(i) Import licences are also required for imports under bilateral payments agreements. They are issued in accordance with the bilateral accounts situation, trends in bilateral trade and national needs and requirements.

(j) In the allocation of import licences, the export permit issued by the exporting country is not taken into account.

(k) Raw materials, auxiliary materials, equipment and packaging materials imported by exporters of manufactured goods exclusively to meet their export requirements, and under special licence, cannot be sold in the domestic market.

7. The products that are not subject to quantitative limitations are indicated in the liberalization lists. Their imports are subject to the procedures indicated in paragraph 2(a).

8. At present, a licence application may be refused if the prices are considered excessive with respect to comparable world market prices.

The following criteria might also be taken into consideration:

(a) foreign exchange availabilities;

(b) national requirements, particularly existing stocks;

(c) all applicants for a licence are required to furnish information on the amount of income tax and corporation tax paid by them during the three preceding years as well as the amount of taxes paid on transactions by importers or exporters during the same period;

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

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

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

Eligibility of importers to apply for licence

9. Applications for a licence can be made only by individuals or corporate bodies holding an importer's certificate.
Required documents and other formalities to be fulfilled for application for a licence

10. Applications must be submitted by filling out an application form to which must be attached a specification document 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 list is at the following rates:
   (a) for goods on liberalized List I
       - 30 per cent for importers
       - 15 per cent for industrialists;
   (b) for goods on liberalized List II
       - 20 per cent for importers
       - 10 per cent for industrialists.
   These deposits are paid in Turkish lira, equivalent to the value of the goods in foreign currency shown on the pro forma invoice.

   For imports under the quota list, the rate of the deposit is as follows:
   - 20 per cent for products on the importers' quota list;
   - 10 per cent for products on the industrialists' quota list.

   For fertilizers, and for its raw materials, breeding animals, global investment quotas and certain products on liberalized List II the rate is 1 per cent.
The deposit is reimbursed in full to the importer once the importation has been realized.

The purpose of these deposits is to ensure that applications are well-founded and that the goods are imported within a reasonable period of time.

Conditions of licensing

14. The validity period of a licence is six months. In cases of force majeure, the period of a licence might be extended further for eight months.

15. In case of non-utilization of a licence, all or part of the deposit is credited to the accounts of 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 $1,500, the licencees may agree to appoint an authorized agent so that the import transaction is carried out on a collective basis.

17. No.

Other procedural requirements

18. No.

19. Foreign exchange is automatically provided, because the quotas are determined and published in the light of foreign exchange availabilities. Applicants' need for foreign exchange is provided by the Central Bank through commercial banks to which the importer applied for importation.