

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPLIES TO QUESTIONNAIRE ON IMPORTING LICENSING PROCEDURES

Turkey

Addendum

The following notification has been received from the delegation of Turkey in response to the questionnaire on import licensing procedures annexed to document L/5640/Rev.1. The present document revises the information appearing in L/5220 and Corr.1.

Import Licensing Procedures

1. As a result of the import liberalization policy which was first put into effect in January 1984 and pursued in 1985, the list of goods subject to permits is revised every year. Companies wishing to import goods included in that list which at the moment covers 601 items, need to apply to the Undersecretariat for the Treasury and Foreign Trade. The application must contain information on the good's characteristics, the quality to be imported and its value, as well as its tariff position. Having examined the application, the Undersecretariat issues the permit.

In order to facilitate this procedure, permits for goods to be imported by industrialists and exporters for their own production and export activities, and whose value does not exceed US\$10,000 annually, can be issued by the Chambers or Unions to which they belong.

Copies of applications approved by the Undersecretariat or the Union or Chamber concerned, are sent to the importer and to the relevant branch of the Central Bank, together with the permit. Changes to be made to certified invoices or applications approved by Chambers or Unions, are examined and finalized by them.

Companies wishing to import goods not subject to permits apply directly to the authorized banks which issue the licence.

2. The permit system is applied only to the 601 products presently included in the list of goods whose import is subject to permits.

Other products, except for narcotics, weapons and ammunition whose import is banned, can be imported freely without any permits.

3. The system is applied to all countries without discrimination.
4. The system does not include any restriction with respect to quantity or value. The objectives of the procedure are as follows:
 - Obtaining statistical information;
 - Preventing increases in prices, protecting the consumer by ensuring competition in domestic production, thus raising its quality;
 - Preventing increases in the prices of goods whose domestic production or distribution is insufficient, discouraging imports of smuggled goods, and assessing circumstances which might require the protection of some sectors.
5. The Council of Ministers is empowered by Law No. 2976 to take administrative decisions with respect to foreign trade. The Council of Ministers has transferred this authority to the Undersecretariat for the Treasury and Foreign Trade.

Decrees adopted by the Council of Ministers or by the Undersecretariat on its behalf, are published in the Official Gazette.

6. There exist no import quotas in Turkey.
7. Applications by importers to the Undersecretariat, for the issuance of permits, are processed within three to five days. The Undersecretariat forwards the original permit to the importer and its copy to the relevant Central Bank branch. Permits are valid for six months. The bank issues the import licence on the strength of the permit and accomplishes the foreign currency transfer. The validity of this licence is also six months.

The applications for permits are examined only by the Undersecretariat (or in cases such as the ones mentioned in response to Question 1, by the relevant Union or Chamber). Imports for the manufacture of chemicals and pharmaceuticals used in agriculture or animal husbandry as well as foodstuffs need the prior approval of the Ministry of Agriculture, Forestry and Rural Affairs. Imports of products affecting human health (pharmaceuticals or their inputs) require the permission of the Ministry of Health and Social Welfare.

8. Applications for permits can be turned down when domestic production is deemed sufficient from the point of view of quality and quantity to meet domestic requirements, when the application is made for a product used in industry but by a firm not connected to the relevant sector, when the product in question is considered incompatible with domestic requirements or when the importer has been fined. If he wishes, the importer can make use of the procedures foreseen by the laws to obtain redress.

9. Any company can apply for a permit to import a product included in the list of goods subject to permits. However, imports from countries where foreign trade has been nationalized are restricted to public-sector companies and a number of export-trading companies. The list of these companies is annexed to the Import Régime.

10. The documents required by the Undersecretariat in order to process applications for import permits for products in the list of goods subject to permits are as follows:

- Application form for foreign currency;
- Bank receipt;
- In the case of industrialists importing for their own needs, an undertaking to that effect;
- Capacity report for industrialists (needed once a year).

11. The documents required for actual importation are as follows:

- Importer's certificate: all professional importers are required to hold a valid importer's certificate;
- Import licence: document issued by the Central Bank or other authorized bank for the withdrawal of imported goods from customs;
- Receipt attesting to the payment of the duty;
- Customs declaration.

12. There exists no fee or charge for the issuance of a permit. Except in cases specified by the Undersecretariat, importers must deposit a guarantee for imports of all goods, whether subject to permits or liberalized. In 1985, the deposit amounts to 15 per cent of the foreign currency required. In the case of industrialists importing for their own needs, of public-sector companies and export-trading companies, the deposit rate is 7.5 per cent. However, imports benefiting from a promotion certificate or fuel, wheat, sugar, coal, fertilizers and their inputs, X-ray films, tractors, lorries, buses, threshers, or imports made by automobile assembly plants only require a 1 per cent guarantee. The rate of guarantee has been reduced to 25 per cent on 1 April 1985, 50 per cent on 1 August 1985 and 75 per cent on 1 December 1985.

Importers need to deposit in a bank the Turkish lira equivalent of the guarantee at the rate laid down in the relevant article of the Import Régime.

However, imports financed with foreign credits or made by the State, special vehicles for handicapped persons, books and publications, do not require the deposit of a guarantee.

14. The validity of permits is for six months. They can be extended by intermediary banks for a total of six months, upon payment of a monthly fee of 0.1 per cent of the total required foreign currency.

15. The guarantee deposited for the unused part of the import permit is transferred to the State, unless a case of "force majeure" exists.

16. Import permits cannot be transferred by one importer to another. Imports have to be made by the company to which foreign currency has been allocated. There exist special provisions for trustees.

Requests for trusteeship are made to the banks. Applications based on import permits or licences need to be made during their period of validity. When the request has been made in the correct form, the import licence is cancelled by the issuing bank which then issues a new one in the name of the trustee. This new licence needs to be produced to the relevant authorities along with the old one.

17. No other conditions exist for the issuance of import permits.

18. There exists no other procedure to be complied with prior to importation.

19. When the Turkish lira equivalent of the amount requested for importation is deposited at the bank, foreign currency is allocated by it. In the case of goods whose importation is subject to a permit, the permit needs to be presented to the Bank, for foreign currency to be allocated.