

**MINISTERIAL DECISION NO. 2014/7064****on Determination of Origin of Goods Benefiting from Preferential Regime for the Purposes of the Generalised System of Preferences**

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**CHAPTER I****Purpose, Scope and Definitions****Purpose and Scope**

**Article 1 –** (1) This Decision shall regulate the rules and principles on determining the origin of goods benefiting from the preferential regime at importation and the methods of administrative cooperation related thereto, for the purposes of Generalised Tariff Preferences, according to Article 22(b) of Customs Law no. 4458.

**Harmonization with the EU Legislation**

**Article 2 –** (1) This Decision is prepared within the context of harmonization with the EU legislation and taking into consideration the Commission Regulation (EU) No 1063/2010 of 18 November 2010 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code

**Definitions**

**Article 3 –** (1) For the purposes of this Decision, the following definitions will apply:

a) Cumulation with Norway, Switzerland or Turkey: The system that allows products which originate in Norway, Switzerland or Turkey to be considered as originating materials in a beneficiary country when they are further processed or incorporated into a product in that beneficiary country and imported into Turkey,

b) Fungible materials: Materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another once they are incorporated into the finished product,

c) Ministry: Ministry of Customs and Trade,

c) Regional Group: The group of countries between which regional cumulation applies,

d) Regional cumulation: The system whereby products which according to this Decision originate in a country which is a member of a regional group are considered as materials originating in another country of the same regional group, or a country of another regional group where cumulation between groups is possible, when further processed or incorporated in a product manufactured there,

e) Goods: Both materials and products,

f) EUR.1 Movement Certificate: The proof of origin, a specimen of which appears in Annex 7, issued properly by the customs authorities or made out by institutions authorised by those authorities and then endorsed by the customs authorities in order to for products originating in Turkey to benefit from the provisions of cumulation for the purposes of the Generalised System of Preferences,

g) Ex-works price: 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.),

ğ) Chapters, headings and sub-headings: The chapters, the headings and sub-headings (four- or six-digit codes) used in the nomenclature which makes up the Harmonized System with the changes pursuant to the Recommendation of 26 June 2004 of the Customs Cooperation Council.

h) Invoice declaration: The declaration, the text of which appears in Annex 5, made out properly by the exporter on an invoice, a delivery note or any other commercial document,

ı) Beneficiary country: A country listed in Annex 3 of Import Regime Decision and granted preferential treatment for the purposes of the Generalised System of Preferences,

ı) The certificate of Origin Form A: The proof of origin, a specimen of which appears in Annex 4, issued properly by the customs authorities or other competent governmental authorities in order for originating products to benefit from the preferential regime for the purposes of the Generalised System of Preferences at their importation to Turkey;

j) Extended cumulation: A system, conditional upon the granting by Turkey, on a request lodged by a beneficiary country and whereby certain materials, originating in a country with which Turkey has a free-trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) in force, are considered to be materials originating in the beneficiary country concerned when further processed or incorporated in a product manufactured in that country;

k) Material: Any ingredient, raw material, component or part, etc., used in the manufacture of the product,

l) Value of the materials: the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the materials in the beneficiary country.

m) Custom value: The value as determined in accordance with the 1994 Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade (WTO Agreement on Customs Valuation)

n) Exporter: The person exporting the goods to Turkey or to a beneficiary country who is able to prove the origin of the goods, whether or not he is the manufacturer and whether or not he himself carries out the export formalities;

o) Bilateral cumulation: A system that allows products which according to this Decision originate in Turkey, to be considered as originating materials in a beneficiary country when they are further processed or incorporated into a product in that beneficiary country,

ö) Manufacture: Any kind of working or processing including assembly,

p) Proof of origin: The Certificate of Origin of Form A, EUR.1 Movement Certificate or invoice Declaration,

r) Value of originating materials: Where the value of the originating materials used needs to be established, the method specified in point (j) for the determination of non-originating materials shall be applied mutatis mutandis,

s) Maximum content of non-originating materials: 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.),

ş) Net weight: The weight of the goods themselves without packing materials and packing containers of any kind,

t) Consignment: Products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such document, by a single invoice,

u) Classified: The classification of a product or material under a particular heading or sub-heading of the Harmonized System,

ü) Product: The product being manufactured, even if it is intended for later use in another manufacturing operation.

(2) For the purpose of point (g) of paragraph 1, even if the last working or processing has been subcontracted to a manufacturer, the term “manufacturer” shall refer to the enterprise that has employed the subcontractor.

## **CHAPTER II**

### **General Provisions**

#### **General Obligations for Beneficiary Countries**

**Article 4-** (1) Beneficiary countries shall comply or ensure compliance with the;

a) The rules on the origin of the products being exported, laid down in this Decision,

b) The rules for completion and issue of Certificates of Origin Form A, a specimen of which is set out in Annex 4,

c) The provisions for the use of invoice declarations, a specimen of which is set out in Annex 5,

ç) The provisions concerning methods of administrative cooperation referred to in Section 5,

d) The provisions concerning granting of derogations referred to in Article 19.

(2) The cooperation referred to in point (ç) of paragraph 1 includes;

a) providing all necessary support in the event of a request by the Ministry for the monitoring of the proper management of the scheme in the country concerned, including verification visits on the spot by the Ministry,

b) without prejudice to Articles 31 and 32, verifying the originating status of products and the compliance with the other conditions laid down in this Decision, including visits on the spot, where requested by the Ministry in the context of origin investigations.

(3) Where, in a beneficiary country, a competent authority for issuing Certificates of Origin Form A is designated, documentary proofs of origin are verified, and Certificates of Origin Form A for exports are issued, that beneficiary country shall be considered to have accepted the conditions laid down in paragraph 1.

(4) Products which obtained originating status within the context of this Decision, shall benefit from preferential treatment on condition that they were imported on or after the date referred to in the list in Article 31.

(5) When a new country is included into the list of the countries which could benefit from the preferential treatment granted within the framework of Generalized System of Preferences referred to in Import Regime Decision, goods originating in that country shall benefit from the preferential regime on the condition that those goods are exported from the beneficiary country on or after the date the necessary amendment concerning Import Regime Decision is published in the Official Gazette.

(6) A proof of origin shall be valid for 10 months from the date of issue in the exporting country and shall be submitted within the said period to the customs authorities of the importing country.

## CHAPTER III

### SECTION I

#### Definition of the concept of originating product

##### Rules of Origin

**Article 5** - For the purposes of this Decision, the following products shall be considered as originating in Turkey or a beneficiary country:

- a) products wholly obtained in Turkey or a beneficiary country within the meaning of Article 6,
- b) 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.

##### Wholly Obtained Products

**Article 6** – (1) 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,
- c) 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,
- i) 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),

(2) The terms “its vessels” and “its factory ships” in paragraph 1(g) and (ğ) shall apply only to vessels and factory ships which meet each of the following requirements:

- a) they are registered in Turkey or in a beneficiary country,
- b) they sail under the flag of the Turkey or of a beneficiary country,
- c) they are at least 50 % owned by nationals of Turkey or of the beneficiary country or they are owned by companies which have their head office and their main place of business in Turkey or in a beneficiary country, and which are at least 50 % owned by Turkey or the beneficiary country or public entities or nationals of Turkey and the beneficiary country.

(3) The conditions of paragraph 2 may each be fulfilled in different beneficiary countries insofar as all the beneficiary countries benefit from regional cumulation in accordance with Article 16(1) and (5). In this case, the products shall be deemed to have the origin of the beneficiary country under which flag the vessel or factory ship sails in accordance with point (b) of paragraph 2.

(4) The third paragraph shall apply only provided that the provisions of Article 16(2)(b) and (c) have been fulfilled.

### **Sufficiently Worked or Processed Products**

**Article 7 –** (1) Without prejudice to paragraph 3, 4 and 5 of this Article and Article 9, products which are not wholly obtained in the beneficiary country within the meaning of Article 6 shall be considered to originate there provided that the conditions laid down in Annex 2 for the goods concerned are fulfilled.

(2) If a product which has acquired originating status in a country in accordance with paragraph 1 is further processed in that country and used as a material in the manufacture of another product, no account shall be taken of the non-originating materials which may have been used in its manufacture.

(3) By way of derogation from paragraph 1 and 2 and subject to paragraphs 4 and 5 of this Article, non-originating materials which, according to the conditions set out in the list in Annex 2 are not to be used in the manufacture of a given product may nevertheless be used, provided that their total value or net weight assessed for the product does not exceed:

a) 15 % of the weight of the product for products falling within Chapters 2 and Chapters 4 to 24 of the Harmonized System, other than processed fishery products of Chapter 16;

b) 15 % of the ex-works price of the product for other products, except for products falling within Chapters 50 to 63 of the Harmonized System, for which the tolerances mentioned in Notes 6 and 7 of Part I of Annex 1, shall apply.

(4) Paragraph 3 shall not allow to exceed any of the percentages for the maximum content of non-originating materials as specified in the rules laid down in the list in Annex 2.

(5) Provisions related to derogations laid down in Articles 3 and 4 shall not apply to products wholly obtained in a beneficiary country within the meaning of Article 6. However, without prejudice to Article 9 and 10(2), the tolerance provided for in those paragraphs shall nevertheless apply to the sum of all the materials which are used in the manufacture of a product and for which the rule laid down in the list in Annex 2 for that product requires that such materials be wholly obtained.

### **Calculations for non-originating Materials**

**Article 8-** (1) The determination of whether the requirements of Article 7<sup>(1)</sup> are met, shall be carried out for each product.

(2) Where the relevant rule is based on compliance with a maximum content of non-originating materials, in order to take into account fluctuations in costs and currency rates, the value of the non-originating materials may be calculated on an average basis as set out in paragraph 3.

(3) In the case referred to in paragraph 2, 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.

(4) Where figures for a complete fiscal year are not available, the reference period shall not be less than three months.

(5) The fiscal year referred to in paragraphs 3 and 4 means the official fiscal year as defined in the country of export.

(6) Exporters having opted for calculations on an average basis shall consistently apply such a method;

a) during the year following the fiscal year of reference

or

b) where shorter than 1 year is used as reference period as defined in paragraph 4, during the fiscal year following the reference period used.

The exporters may cease to apply such a method where during a given fiscal year, or a shorter representative period of no less than three months, they record that the fluctuations in costs or currency rates which justified the use of such a method have ceased.

(7) For the purpose of calculating whether or not the maximum content of non-originating materials is exceeded, the averages referred to in paragraph 2 shall be used as the ex-works price and the value of non-originating materials respectively.

### **Insufficient Working or Processing**

**Article 9** - Without prejudice to paragraph 3 of this Article, 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 are satisfied:

a) Preserving operations to ensure that the products remain in good condition during transport and storage;

b) Breaking-up and assembly of packages;

c) Washing, cleaning; removal of dust, oxide, oil, paint or other coverings;

ç) Ironing or pressing of textiles and textile articles;

d) Simple painting and polishing operations;

e) Husking and partial or total milling of rice; polishing and glazing of cereals and rice

f) Operations to colour sugar or form sugar lumps; partial or total milling of crystal sugar;

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);

ı) 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.

(2) For the purposes of paragraph 1, operations shall be considered simple when neither special skills nor machines, apparatus or tools especially produced or installed for those operations are required for their performance.

(3) All the operations carried out in either Turkey or in a beneficiary country on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

## SECTION II

### Unit of Qualification, Accessories, Spare Parts, Tools, Sets and Neutral Elements

#### Unit of Qualification

**Article 10 – (1)** The unit of qualification for the application of the provisions of this Decision shall be the particular product which is considered as the basic unit when determining classification using the Nomenclature of the Harmonised System.

(2) When a consignment consists of a number of identical products classified under the same heading of the Harmonized System, each individual item shall be taken into account when applying the provisions of this Decision.

(3) Where, under General Interpretative Rule 5 of the Harmonized System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

#### Accessories, Spare Parts and Tools

**Article 11 – (1)** Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

#### Sets

**Article 12 – (1)** Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all the component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

#### Neutral Elements

**Article 13 -** In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- a) energy and fuel;
- b) plant and equipment;
- c) machines and tools;
- c) goods which do not enter and which are not intended to enter into the final composition of the product.

## CHAPTER IV

### SECTION I

#### Cumulation

##### Bilateral Cumulation

**Article 14-** (1) Materials originating in Turkey shall be considered as materials originating in a beneficiary country when incorporated into a product obtained there. It shall not be necessary that such materials have undergone sufficient working or processing, provided they have undergone working or processing going beyond the operations referred to in Article 9.

##### Cumulation with Norway, Switzerland and the European Union

**Article 15-** (1) In so far as European Union (EU), Norway and Switzerland grant generalised tariff preferences to products originating in the beneficiary countries and apply a definition of the concept of origin corresponding to that set out in this Decision, products originating in the Republic of Turkey, EU, Switzerland or Norway which are subject in a beneficiary country to working or processing going beyond that described in Article 9 shall be considered as originating in that beneficiary country.



(2) The provisions of the first paragraph shall apply provided that;

- The European Union, Switzerland and Norway, by reciprocity, grant same treatment to the products originating in the beneficiary countries which incorporate materials originating in Turkey and,

- Turkey, the European Union, Switzerland and Norway undertake to provide each other with the necessary support in matters of administrative cooperation.

(3) The provisions of the first paragraph shall not apply to products falling within Chapters 1 to 24 of the Harmonised System.

(4) The dates when the provisions of this Article take effect shall be announced by the Ministry in the Official Gazette.

### **Regional Cumulation**

**Article 16 (1)** – Regional cumulation shall apply to four separate regional groups of beneficiary countries:

a) Group 1: Brunei - Darussalam, Cambodia, Indonesia, Laos, Malaysia, Philippines, Thailand, Vietnam, Myanmar/Burma.

b) Group 2: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela.

c) Group 3: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

ç) Group 4: Argentine, Brazil, Paraguay, Uruguay

(2) Regional cumulation between countries within the same group shall apply only where the following conditions are fulfilled:

a) For the purpose of regional cumulation between the countries of a regional group the rules of origin laid down in this Decision apply; ( Where the rule conferring originating status laid down in Annex 2 is different from the rule applicable for conferring originating status in trade between the countries involved in the cumulation,

b) Each country in the regional group have undertaken to comply and ensure compliance with the provisions of this Decision and to provide the administrative cooperation for correct issue of Certificate of Origin of Form A and for subsequent verification of these certificates and invoice declarations with regard to Turkey and between themselves.

c) This undertaking has been notified to Turkey through diplomatic channels.

(3) The materials listed in Annex 3 shall be excluded from the regional cumulation provided for in paragraph 2 in the case where the tariff preference applicable in Turkey is not the same for all the countries involved in the cumulation; and the materials concerned would benefit, through cumulation, from a tariff treatment more favourable than the one they would benefit from if directly exported to Turkey.

(4) a) Regional cumulation between countries in the same regional group shall apply only under the condition that the working or processing carried out in the beneficiary country where the materials are further processed or incorporated goes beyond the operations described in Article 9(1) and, in the case of textile products, also beyond the operations set out in Annex 6.

b) Where the condition laid down in the subparagraph (a) is not fulfilled, the products shall have as country of origin the country of the regional group which accounts for the highest share of the customs value of the materials used originating in countries of the regional group.

c) Where the country of origin is determined pursuant to the sub-paragraph (b), that country shall be stated as country of origin on Certificate of Origin of Form A issued by the competent authorities of the beneficiary country according to the provisions of Article 23, or, on the invoice declaration made out by the exporter.

(5) At the request of the authorities of a Group 1 or Group 3 beneficiary country, regional cumulation be-



tween countries of those groups may be granted by the Ministry taking into account all the elements related to the cumulation deemed relevant, including the materials to be cumulated provided that,

a) the conditions laid down in paragraph 2(a) are met, and

b) by submitting all relevant information and documents that the conditions laid down in this paragraph are met, the countries to be involved in such regional cumulation have jointly undertaken:

1) to comply or ensure compliance with this Decision, and

2) to provide the administrative cooperation necessary for correct issue of Certificate of Origin of Form A and for subsequent verification of these certificates and invoice declarations.

(6) a) Where goods manufactured in a beneficiary country of Group I or Group III using materials originating in a country belonging to the other group are imported, the origin of those goods shall be determined as follows:

1) Materials originating in a country of one regional group shall be considered as materials originating in a country of the other regional group when incorporated in a product obtained there, provided that the working or processing carried out in the latter beneficiary country goes beyond the operations described in Article 9(1) and, in the case of textile products, also beyond the operations set out in Annex 6.

2) Where the condition laid down in point (1) is not fulfilled, the products shall have as country of origin the country participating in the cumulation which accounts for the highest share of the customs value of the materials used originating in countries participating in the cumulation.

b) Where the country of origin is determined pursuant to point (2) of the sub-paragraph (a), the country which accounts for the highest share of the customs value among the countries participating in the cumulation shall be stated as country of origin on Certificate of Origin of Form A issued by the competent authorities of the beneficiary country according to the provisions of Article 23, or, on the invoice declaration made out by the exporter.

(7) a) At the request of beneficiary country's authorities, extended cumulation between a beneficiary country and a country with which Turkey has a free-trade agreement in accordance with Article XXIV of the General Agreement on Tariffs and Trade (GATT) in force, may be granted by the Ministry, provided that;

1) Each country in the regional group have undertaken to comply and ensure compliance with the provisions of this Decision and to provide the administrative cooperation for correct issue of Certificate of Origin of Form A and for subsequent verification of these certificates and invoice declarations with regard to Turkey and between themselves.

2) The undertaking referred to in point (1) has been notified to Turkey by the beneficiary country concerned and

3) The request shall contain a list of the materials concerned by the cumulation and all information and documents, proving that the conditions laid down in this paragraph are met, are submitted.

Where the materials concerned change, another request shall be submitted. b) In cases referred to in point (a), the administrative cooperation among the countries involved in the cumulation shall be applied in accordance with the provisions of Free Trade Agreement between Turkey and the country having a Free Trade Agreement in force with Turkey.

c) Goods falling within Chapters 1 to 24 of the Harmonized System shall be excluded from the possibility of extended cumulation laid down in point (a).

(8) a) In cases of extended cumulation referred to in paragraph 7, the origin of the materials used and the documentary proof of origin applicable shall be determined in accordance with the rules laid down in the relevant free-trade agreement. The origin of the products to be imported to Turkey shall be determined in accordance with the rules of origin laid down in this Decision.

b) In order for the obtained product to acquire originating status, it shall not be necessary that the materials originating in a country with which Turkey has a free-trade agreement and used in a beneficiary country in the manufacture of the product to be exported to Turkey have undergone sufficient working or processing, provided that the working or processing carried out in the beneficiary country concerned goes beyond insufficient working and processings.

(9) The Ministry will publish the date on which the cumulation provided in this Article takes effect, the countries involved in that cumulation and the list of materials in relation to which the cumulation applies.

(10) Where bilateral cumulation or cumulation with the EU, Norway or Switzerland is used in combination with regional cumulation, the product obtained shall acquire the origin of one of the countries of the regional group concerned, determined in accordance with the sub-paragraphs (a) and (b) of paragraph 4.

(11) The Ministry will publish a notice in the Official Gazette when the conditions laid down in paragraphs 2, 5 and 7 are met. Before such notice, the provisions of this Article shall not be applied.

### **Cumulation between the Beneficiary Countries**

**Article 17-** (1) The provisions of Articles 1, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 20 and 21 shall apply mutadis mutandis to exports of originating goods from Turkey to a beneficiary country for the purposes of bilateral cumulation as provided for in Article 14 and exports of originating goods from one beneficiary country to another for the purposes of regional cumulation as provided for in Article 16.

### **Accounting Segregation**

**Article 18-** (1) If originating and non-originating fungible materials are used in the working or processing of a product, the customs administration may, at the written request of persons concerned, authorise the management of materials in Turkey using the accounting segregation method for the purpose of subsequent export to a beneficiary country within the framework of bilateral cumulation, without keeping the materials on separate stocks.

(2) The customs administration, may make the granting of authorisation referred to in paragraph 1 subject to any conditions they deem appropriate. The authorisation shall be granted only if by use of the accounting segregation method, it can be ensured that, at any time, the number of products obtained which could be considered as “originating in Turkey” is the same as the number that would have been obtained by using a method of physical segregation of the stocks. The method shall be applied and the application thereof shall be recorded on the basis of the general accounting principles.

(3) The person authorized for accounting segregation method shall make out invoice declaration for the quantity of products which may be considered as “originating in Turkey” or apply to authorized institutions and organizations for issue of EUR.1 Movement Certificate. At the request of Customs administration, the authorized person shall provide a statement of how the quantities have been determined.

(4) The customs administration shall monitor the use made of this authorization and may withdraw the authorization in cases where authorized person makes improper use of the authorisation in any manner whatsoever, or it fails to fulfil any of the other conditions laid down in this Decision.

(5) The Ministry shall specify the procedures for the use of account segregation method and for the authorization, withdrawal and the use of the authorization of this method.

## **SECTION II**

### **Derogations**

### **Derogations**

**Article 19-** (1) Beneficiary country may be granted, upon a request from a beneficiary country, a temporary derogation from the provisions of this Decision where:

a) internal or external factors temporarily deprive it of the ability to comply with the rules for the acquisition of origin provided for in Article 5 where it could do so previously; or

b) it requires time to prepare itself to comply with the rules for the acquisition of origin provided for in Article 5.

(2) The temporary derogation shall be limited to the duration of the effects of the internal or external factors giving rise to it or the length of time needed for the beneficiary country to achieve compliance with the rules.

(3) A request for a derogation shall be made in writing. It shall state the reasons why a derogation is required and shall contain appropriate supporting documents.

(4) The decision taken as a consequence of the evaluation of the derogation request shall be communicated by diplomatic channels. The decision concerning requests accepted shall be published in the Official Gazette.

(5) When a derogation is granted, the beneficiary country concerned shall comply with any requirements laid down as to information to be provided to the Commission concerning the use of the derogation and the management of the quantities for which the derogation is granted.

(6) Where use is made of a derogation, the following phrase must appear in box 4 of the certificate of origin Form A, or on the invoice declaration laid down in Article 24:

“İstisna – Karar No: .../...” , “Derogation - Regulation (TR) No .../...”

(7) The provisions of this Article shall apply to any prolongations.

### **SECTION III** **Territorial Requirements**

#### **Principle of Territoriality**

**Article 20-** (1) The conditions set out in this Chapter for acquiring originating status shall be fulfilled in Turkey or in the beneficiary country concerned.

(2) If originating products exported from the beneficiary country to another country are returned, they shall be considered as non-originating unless it can be demonstrated to the satisfaction of the competent authorities that:

a) the products returned are the same as those which were exported, and

b) they have not undergone any operations beyond that necessary to preserve them in good condition while in that country or while being exported.

#### **Consignment of the products**

**Article 21-** (1) The products declared for release for free circulation in Turkey shall be the same products as exported from the beneficiary country in which they are considered to originate. They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition, prior to being declared for release for free circulation. Storage of products or consignments and splitting of consignments may take place where carried out under the responsibility of the exporter or of a subsequent holder of the goods and the products remain under customs supervision in the country(ies) of transit.

(2) Compliance with paragraph 1 shall be considered as satisfied unless the customs authorities have reason to believe the contrary; in such cases, 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.

(3) The provisions of this Article shall apply mutadis mutandis to the exports of originating goods from a beneficiary country to another beneficiary country, which exports final product to Turkey, for the purposes of cumulation as provided for in Article 14, 15 or 16.

## CHAPTER V

### Proof of Origin of Products

#### Proofs of origin

**Article 22-** Products originating in the beneficiary country shall benefit from the Generalised System of Preferences on importation to Turkey, on submission of either:

a) a certificate of origin Form A issued in accordance with the provisions of Article 23, a specimen of which appears in Annex 4; or

b) in the cases specified in Article 24, a declaration, the text of which appears in Annex 5, given by the exporter on an invoice, a delivery note or any other commercial document which describes the products concerned in sufficient detail to enable them to be identified (hereinafter referred to as the 'invoice declaration').

(2) Within the meaning of Article 6, on exportation from Turkey to the beneficiary countries in order to benefit from bilateral cumulation for goods considered as originating in Turkey and fulfilling the other requirements of the Decision, evidence of the originating status of products shall be furnished by either:

a) the production of an EUR.1 Movement Certificate, a specimen of which is set out in Annex 7; or

b) the production of a declaration as referred to in Article 24.

For the purpose of application of this paragraph, procedures and principles regarding the exports of originating goods from Turkey to the beneficiary countries of Generalised System of Preferences shall be regulated by a Regulation.

#### Certificate of origin Form A

**Article 23-** (1) Certificates of origin Form A, a model of which is set out in Annex 4, shall be issued on written application from the exporter or its authorised representative, together with any other appropriate supporting documents proving that the products to be exported qualify for the issue of a certificate of origin Form A.

(2) The certificate shall be made available to the exporter as soon as the export has taken place or is ensured.

However, a certificate of origin Form A may exceptionally be issued after exportation of the products to which it relates, if:

a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or b) it is demonstrated to the satisfaction of the competent governmental authorities that a certificate of origin Form A was issued but was not accepted at importation for technical reasons.

(3) The competent governmental authorities may issue a certificate retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding export file and that a certificate of origin Form A satisfying the provisions of this section was not issued when the products in question were exported. Box 4 of certificates of origin Form A issued retrospectively must contain the endorsement:

"SONRADAN VERİLMİŞTİR"

"ISSUED RETROSPECTIVELY"

"DÉLIVRÉ À POSTERIORI".

(4) In the event of the theft, loss or destruction of a certificate of origin Form A, the exporter may apply, to the competent governmental authorities which issued it, for a duplicate to be made out on the basis of the export documents in their possession. Box 4 of a duplicate Form A issued in this way must be endorsed with the word:

"İKİNCİ NÜSHADIR"

"DUPLICATE"

"DUBLICATA",

together with the date of issue and the serial number of the original certificate. The duplicate takes effect from the date of the original.

(5) For the purposes of verifying whether the product for which a certificate of origin Form A is requested complies with the relevant rules of origin, the competent governmental authorities shall be entitled to call for any documentary evidence or to carry out any check which they consider appropriate.

(6) Completion of box 2 of the certificate of origin Form A shall be optional. Box 12 shall bear the mention "Turkey". The date of issue of the certificate of origin Form A shall be indicated in box 11. The signature to be entered in that box, which is reserved for the competent governmental authorities issuing the certificate, as well as the signature of the exporter's authorised signatory to be entered in box 12, shall be handwritten.

(7) When cumulation under Articles 14, 15 or 16 applies, the competent governmental authorities of the beneficiary country called on to issue a certificate of origin Form A for products in the manufacture of which materials originating in a party with which cumulation is permitted are used shall rely on the following:

- i. in the case of bilateral cumulation, on the proof of origin as referred to in paragraph 2 of Article 22,
- ii. in the case of cumulation with Norway, Switzerland or the European Union, on the proof of origin issued in accordance with the Generalised System of Preferences rules of origin of Norway, Switzerland or the European Union,
- iii. in the case of regional cumulation, on the certificate of origin Form A or an invoice declaration,
- iv. in the case of extended cumulation, on the proof of origin issued in accordance with the provisions of the relevant free- trade agreement between Turkey and the country concerned.

(8) In the cases referred to in the fifth paragraph, Box 4 of certificate of origin Form A shall, as the case may be, contain the indication:

"Türkiye kümülasyon", "Norveç kümülasyon", "İsviçre kümülasyon", "AB kümülasyon", "Bölgesel Kümülayon", "[...] ile genişletilmiş kümülasyon" "Turkey cumulation", "Norway cumulation", "Switzerland cumulation", "EU cumulation", "Regional Cumulation", "extended cumulation with [...]"

"Cumul Turquie", "Cumul Norvège", "Cumul Suisse", "Cumul UE", "cumul régional", "cumul étendu avec le pays [...]"

### Invoice Declaration

**Article 24 –** (1) The invoice declaration 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 EUR 6 000, and provided that the administrative cooperation referred to in Article 4 applies to this procedure. In the cases referred to in the second paragraph of Article 22, the invoice declaration may be made out by approved exporters of Turkey within the meaning of Article 34.

(2) The exporter making out an invoice declaration shall be prepared to submit at any time, at the request of the customs or other competent governmental authorities of the exporting country, all appropriate documents proving the originating status of the products concerned and relative documents proving the fulfilment of provisions of this Decision.

(3) An invoice declaration shall be made out by the exporter in either Turkish, French or English by typing, stamping or printing on the invoice, the delivery note or any other commercial document, the declaration, the text of which appears in Annex 5. If the declaration is handwritten, it shall be written in ink in printed characters. Invoice declarations shall bear the original signature of the exporter in manuscript.

(4) The use of an invoice declaration shall be subject to the following conditions:

- a) one invoice declaration shall be made out for each consignment;
- b) if the goods contained in the consignment have already been subject to verification in the exporting

country by reference to the definition of “originating products”, the exporter may refer to that verification in the invoice declaration.

### **Submission of proofs of Origin**

**Article 25-** (1) Proofs of origin shall be submitted to the customs authorities of the Turkey in accordance with customs legislation and other concerned legislation.

(2) Where proofs of origin required for the preferential treatment of goods can not be presented before or at the time of actual importation of the goods concerned and the goods are intended to be imported without delay by the importer, the preferential regime shall not be applied and the duties shall be calculated and definitely collected on the basis of autonomous duty rates. However, if the proofs of origin duly completed are submitted to the customs authority which fulfilled the procedures within the period of validity following the actual importation of this kind of goods, the difference between the duty amount calculated on the base of preferential rate and that calculated on the base of non-preferential shall be repaid to the operator, on condition that it is understood that the proofs of origin submitted relates to the goods imported by comparing with the customs declaration and its enclosures and that the period of validity of the proof of origin is not expired.

(3) Proofs of origin which are submitted to the customs authorities of the importing country after the period of validity mentioned in Article 4(6) may be accepted for the purpose of applying the tariff preferences, where failure to submit these documents by the final date set is due to exceptional circumstances. In other cases of belated presentation, the customs authorities of the importing country may accept the proofs of origin where the products have been presented to customs before the said final date.

(4) In cases of belated presentation, in order to benefit from the preferential treatment, the goods have to be submitted before the final date of submission of the proof of origin and an application in writing has to be presented to the customs authorities in the said period by the importer or his authorized representative entitled to sign the customs declaration. The customs authority concerned shall inform the supervising regional headquarter on the issue. The latter shall examine the case and may extend the period of validity of the proof of origin maximum one month's time if it considers the existence of force majeure and extraordinary circumstances and agrees that the reasons justify such demand.

### **Importation by Instalments**

**Article 26-** (1) Where, at the request of the importer and on the conditions laid down by the Ministry, dismantled or non-assembled products within the meaning of General rule 2(a) for the interpretation of the Harmonized System and falling within Section XVI or XVII or heading 7308 or 9406 of the Harmonized System are imported by instalments, a single proof of origin for such products may be submitted to the customs authorities on importation of the first instalment.

### **Submission of a single proof of Origin**

**Article 27-** (1) At the request of the importer and having regard to the conditions laid down by the Ministry, a single proof of origin may be submitted to the customs authorities at the importation of the first consignment when the goods:

- a) are imported within the framework of frequent and continuous trade flows of a significant commercial value;
- b) are the subject of the same contract of sale, the parties of this contract established in the exporting country or Turkey;
- c) are classified in the same code (eight digits) of the Combined Nomenclature;
- d) come exclusively from the same exporter, are destined for the same importer, and are made the subject of entry formalities at the same customs office of Turkey.

(2) This procedure shall be applicable for a period determined by the competent customs authorities.

**Duplicate certificates of origin Form A**

**Article 28-** (1) When originating products are placed under the control of a customs office of Turkey, it shall be possible to replace the original proof of origin by one or more certificates of origin Form A for the purpose of sending all or some of these products to European Union, Norway, or Switzerland.

(2) Replacement certificates of origin Form A shall be issued by the customs office under whose control the products are placed. The replacement certificate shall be made out on the basis of a written request by the re-exporter.

(3) The top right-hand box of the replacement certificate shall indicate the name of the intermediary country where it is issued. Box 4 shall contain the words:

“MÜFREZ BELGEDİR”,

“REPLACEMENT CERTIFICATE”,

“CERTIFICAT DE REMPLACEMENT”,

as well as the date of issue of the original certificate of origin and its serial number. The name of the re-exporter shall be given in box 1. The name of the final consignee may be given in box 2. All particulars of the re-exported products appearing on the original certificate shall be transferred to boxes 3 to 9 and references to the re-exporter's invoice shall be given in box 10.

(4) The customs authorities which issued the replacement certificate shall endorse box 11. The responsibility of the authorities shall be confined to the issue of the replacement certificate. The particulars in box 12 concerning the country of origin and the country of destination shall be taken from the original certificate. This box shall be signed by the re-exporter. A re-exporter who signs this box in good faith shall not be responsible for the accuracy of the particulars entered on the original certificate.

(5) The customs office which is requested to perform the operation referred to in paragraph 1 shall note on the original certificate the weights, numbers and nature of the products forwarded and indicate thereon the serial numbers of the corresponding replacement certificate or certificates. It shall keep the original certificate for at least three years. A photocopy of the original certificate may be annexed to the replacement certificate.

(6) In the case of products which benefit from the tariff preferences under a derogation granted in accordance with Article 19, the procedure laid down in this Article shall apply only when such products are intended for the customs offices in customs territory of Turkey. Where the product concerned has acquired originating status through regional cumulation, a replacement certificate may only be made out for sending products to the European Union, Norway or Switzerland where these countries apply the same regional cumulation rules as Turkey.

**Non commercial goods**

**Article 29-** (1) Products sent as small packages from private person to private persons or forming part of travellers' personal luggage shall be admitted as originating without requiring the submission of proof of origin, provided that such products are not imported by way of trade and have been declared as meeting the conditions required for the application of this Decision, and where there is no doubt as to the veracity of such a declaration.

(2) Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families shall not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is in view.

(3) The total value of the products referred to in paragraph 2 shall not exceed EUR 500 in the case of small packages or EUR 1200 in the case of products forming part of travellers' personal luggage.

**Discrepancies and formal errors**

**Article 30-** (1) The discovery of slight discrepancies between the statements made in the certificate of origin Form A or in an invoice declaration, and those made in the documents submitted to the customs office for



the purpose of carrying out the formalities for importing the products shall not ipso facto render the certificate or declaration null and void if it is duly established that that document does correspond to the products submitted.

(2) Obvious formal errors on a certificate of origin Form A, a movement certificate EUR.1 or an invoice declaration shall not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in that document.

## **CHAPTER VI**

### **Arrangements for Administrative Co-operation**

#### **Transmission of official seals and addresses**

**Article 31** – (1) The beneficiary countries shall inform the Ministry of the names and addresses of the governmental authorities situated in their territory which are empowered to issue certificates of origin Form A, together with specimen impressions of the stamps used by those authorities, and the names and addresses of the relevant governmental authorities responsible for the control of the certificates of origin Form A and the invoice declarations.

(2) Beneficiary countries which have already provided the information required under the first paragraph shall be deemed to have been accepted the conditions established by provisions of Article 4.

(3) Ministry will publish, in the Official Journal of the Turkey, the list of countries or territories with the date on which a country or territory admitted as a beneficiary country, which referred to in Annex 3 of the Import Regime Decree, met the obligations set out in paragraph 1. The date on which criterions are deemed to have been met by beneficiary country shall also be specified in that list.

#### **Subsequent verification**

**Article 32-** (1) 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 this Decision.

(2) For the purpose of application of paragraph 1, the Ministry 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. Any documents and information obtained suggesting that the information given on the proof of origin is incorrect shall be forwarded in support of the request for verification.

If the Ministry decide to suspend the granting of the tariff preferences while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

(3) When a request for subsequent verification has been made by the Ministry, such verification shall be carried out and its results communicated to the Ministry within a maximum of six months or, in the case of requests sent to the European Union, Norway, or Switzerland for the purpose of verifying replacement proofs of origin made out in their territories on the basis of a certificate of origin Form A or an invoice declaration made out in a beneficiary country, within a maximum of eight months from the date on which the request was sent. The results shall be such as to establish whether the proof of origin in question applies to the products actually exported and whether these products can be considered as products originating in the beneficiary country or in Turkey.

(4) In the case of certificates of origin Form A issued according to provisions of Article 14, the reply shall include a copy (copies) of the movement certificate(s) EUR.1 issued according to provisions of Article 22 or, where necessary, of the corresponding invoice declaration(s).

(5) If, in cases of reasonable doubt, there is no reply within the six months specified in paragraph 3 or if the reply does not contain sufficient information to determine the authenticity of the document in question or

the real origin of the products, a second communication shall be sent to the competent authorities. If after the second communication the results of the verification are not communicated to the requesting authorities within four months from the date on which the second communication was sent, or if these results do not allow the authenticity of the document in question or the real origin of the products to be determined, the requesting customs authority shall, except in exceptional circumstances, refuse entitlement to the tariff preferences.

(6) Where the verification procedure or any other available information appears to indicate that the rules of origin are being contravened, the exporting beneficiary country shall, on its own initiative or at the request of the customs authorities of Turkey, carry out appropriate inquiries or arrange for such inquiries to be carried out with due urgency to identify and prevent such contraventions. For this purpose, officer(s) authorised by the Ministry may participate in the inquiries.

(7) Provisions of Article 31 and 32 shall apply between the members of same regional groups of beneficiary countries where provisions of Article 16 applies.

### **Preservation of documents**

**Article 33-** (1) For the purposes of the subsequent verification of certificates of origin Form A, the exporters shall keep all appropriate documents proving the originating status of the products concerned and the competent governmental authorities of the exporting beneficiary country shall keep copies of the certificates, as well as any export documents referring to them. These documents shall be kept for at least three years from the end of the year in which the certificate of origin Form A was issued.

## **CHAPTER VII**

### **Simplified Procedures**

### **Approved Exporter**

**Article 34-** (1) With the purpose of benefiting from bilateral cumulation within the meaning of Article 14, the Ministry may grant authorization of approved exporter to make out an invoice declaration a specimen of which is given in Annex 5, irrespective of the value of the products concerned; to natural and legal persons who,

- a) make frequent shipments of products originating in Turkey requiring the issue of EUR.1 Movement Certificate,
- b) offer, to the satisfaction of the customs authorities, all guarantees necessary to verify the originating status of the products as well as the fulfilment of the other requirements of this Decision,
- c) have not made any serious and repeated offences against taxation and customs legislation,
- d) have records to allow the inspection of their activities by the customs authorities.

The Ministry shall grant to the approved exporter a customs authorisation number which shall appear on the invoice declaration. The Ministry shall monitor the use of the authorisation by the approved exporter.

(2) The Ministry shall determine the procedures regarding the grant of the authorisation document for the implementation of simplified procedure and the monitoring of the use of the authorisation by the approved exporter.

(3) The authorisation may be provisionally suspended or revoked by the Ministry without prejudice to penal provisions where the approved exporter violates the provisions of this Decision or does not fulfil the conditions set forth in the authorisation or the conditions do no longer exist.

(4) An approved exporter shall not be required to sign invoice declarations provided that the approved exporter gives the customs authorities a written undertaking accepting full responsibility for any invoice declaration which identifies the approved exporter as if the approved exporter had signed it in manuscript.

## **CHAPTER VIII**

### **Final Provisions**

#### **Penalties**

**Article 35 –** (1) Provisions of the Customs Law (no. 4458) of 27.10.1999 and Law on Fight Against Smuggling (no. 5607) of 21/3/2007 and other relevant legislation in force shall apply to the acts contrary of this Decision.

#### **Miscellaneous**

**Article 36 –** (1) Any hesitation and disagreement which may arise in the implementation of the provisions in this Decision shall be communicated to the Ministry by the agents responsible for carrying out the operations within this Decision, and shall be resolved by the Ministry.

(2) Relevant provisions of the Customs Law (no. 4458) and its implementing provisions shall apply to the matters not regulated in this Decision for the purposes of implementing the provisions of this Decision.

#### **Repealed Provisions**

**Article 37-** (1) The Decision on Determination of Origin of Goods Benefiting from Preferential Regime for the Purposes of the Generalised System of Preferences, which entered into force with the Ministerial Decree (no.2001/3485) of 22/12/2001 shall be repealed with the exception of its Provisional Article 1.

#### **Entry into Force**

**Article 38 -** (1) This Decision shall enter into force on 1/1/2015.

#### **Execution**

**Article 39-** (1) The Customs and Trade Minister shall execute the provisions of this Decision.

**ANNEX 6**  
**WORKING EXCLUDED FROM GSP REGIONAL CUMULATION**

Working such as:

- fitting of buttons and/or other types of fastenings,
- making of button-holes,
- finishing off the ends of trouser legs and sleeves or the bottom hemming of skirts and dresses etc.,
- hemming of handkerchiefs, table linen etc.,
- fitting of trimmings and accessories such as pockets, labels, badges, etc.,
- ironing and other preparations of garments for sale 'ready made',
- or any combination of such working.