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TRADE AND DEVELOPMENT BOARD

GENERALIZED SYSTEM OF PREFERENCES

Rules of origin

Note by the UNCTAD secretariat

The UNCTAD secretariat has received the following communication from the Government of Turkey:

"...please find attached the new form containing the official name of the administration, address and specimen impressions of stamps used by the authorities along with an explanatory note.

... we would appreciate it if the UNCTAD Secretariat could consider sharing that form and the explanatory note with the countries listed in Annex 1 and encouraging them - with the exception of the countries in bold - to submit the necessary information to Turkish Customs authorities so that they can enjoy the preferential tariffs provided by the GSP Regime of Turkey.

In regard to our request, we would also like to draw attention to the following issues...:

1. The main difference between part "B" and "C" of the form is that "B" comprises of the names of **all** relevant bodies authorized for issuing Form A Certificate in the Beneficiary Country (as an aggregate list), whereas part "C" will mainly indicate the address and the specimen impressions of stamps used by the relevant authorities which has usually been presented by the beneficiary country when an addendum is being made. Hence, it is very important for our Customs to have a full list of all relevant bodies in part "B".
2. It is also crucial to have the full name of the Administration in part "C" column 2 rather than the names of the officials (persons in charge).

We would also appreciate if those issues will be tackled in the explanatory notes so that all beneficiaries can be informed in detail..."

Annex 1**The list of beneficiary countries
to benefit from the GSP preferences of Turkey (2006)*****Important Note***

The countries which are marked in bold characters completed the necessary procedures to benefit from the GSP Preferences of Turkey.

The Beneficiary Countries are officially available in Annex 3 (Ek 3) to the Import Decree of Turkey.

Products which are granted preferences are listed in Annex 2 (Ek 2) to the Import Decree of Turkey. However, some sectors are excluded from GSP. These sectors are available in Annex 4 (Ek 4) of Import Decree of Turkey and change according to the Beneficiary Countries.

<http://www.dtm.gov.tr/ithalat/mevzu/ithmevzu/95-7606.htm> (Turkish Import Regime Decree)

List of beneficiary countries to benefit from the GSP preferences of Turkey

A. DEVELOPING COUNTRIES

COUNTRIES	EXCLUDED SECTORS	COUNTRIES	EXCLUDED SECTORS
US Minor Outlying Islands		Guyana	
US Virgin Islands		South Africa *	17
American Samoa		South Georgia and South Sandwich Islands	
Anguilla		French Southern Territories	
Antarctica		Heard Island and McDonald Islands	
Antigua and Barbuda		India	11(a); 14
Argentina *		Netherlands Antilles	
Aruba		British Indian Ocean Territory	
Azerbaijan *		British Virgin Islands	
Bahamas		Iraq	
Bahrain		Iran *	
Barbados		Jamaica	
Belize		Cameroon	
Bermuda		Qatar *	
Belarus*		Kazakhstan*	
United Arab Emirates		Kenya	
Botswana		Kyrgyzstan*	
Bouvet Island		Congo	
Brazil*	4; 9	Kuwait*	
Brunei		Northern Mariana Islands	
Cayman Islands		Cuba*	
Gibraltar		Libya	
Algeria	5	Lebanon*	
Christmas Islands		Macao (China)	
Cocos Islands		Malaysia*	3
Cook Islands		Marshall Islands	
People's Republic of China *	6; 7; 8; 9; 10; 11(a); 11(b); 12; 13; 14; 15; 16; 17; 18; 20	Mauritius*	
Dominica		Mayotte	
Dominican Republic*		Mexico	
Indonesia*	3; 9	Micronesia	
Morocco*		Egypt *	
Fiji*		Montserrat	
Côte d'Ivoire		Namibia	
Philippines*		Nauru	
Falklands Islands		Niue Island	
French Polynesia		Nigeria	
Gabon		Norfolk Island	
Ghana		Uzbekistan*	
Grenada		Pakistan*	
Greenland*		Palau	
Guam		Papua New Guinea	
Paraguay*		Tokelau	
Pitcairn		Tonga	

COUNTRIES	EXCLUDED SECTORS	COUNTRIES	EXCLUDED SECTORS
Russian Federation*	6; 10; 15	Trinidad and Tobago	
Seychelles*		Tunisia*	
St. Kitts and Nevis		Turks and Caicos Islands	
Santa Helena		Turkmenistan*	
St Lucia		Ukraine*	
St Pierre and Miquelon		Oman*	
St Vincent and Northern Grenadines*		Uruguay*	
Saudi Arabia*		Jordan*	
Suriname		Wallis and Futuna	
Syrian Arab Republic		Viet Nam	
Swaziland*		New Caledonia	
Chile*		Zimbabwe	
Tajikistan*		Thailand*	14; 17

B. COUNTRIES TO BENEFIT FROM SPECIAL INCENTIVE ARRANGEMENTS

COUNTRY	EXCLUDED SECTORS	COUNTRY	EXCLUDED SECTORS
Bolivia *		Costa Rica	
Ecuador		Mongolia *	
El Salvador		Moldova (Republic)*	
Guatemala		Nicaragua	
Georgia*		Panama	
Honduras		Peru	
Colombia *		Sri lanka	
		Venezuela	

C- LEAST DEVELOPED COUNTRIES

Afghanistan*	Eritrea*	Liberia	Sao Tome and Principe
Anguilla	Ethiopia	Madagascar	Senegal
Bangladesh *	Gambia	Malawi	Sierre Leone
Benin	Guinea	Maldives*	Solomon Islands
Bhutan	Guinea Bissau	Mali	Somalia
Burkina Faso	Haiti	Mauritania	Sudan
Burundi	Cambodia	Mozambique	Tanzania (United Rep. of)
Cape Verde	Kiribati	Nepal	Togo
Djibouti	Comoros	Niger	Tuvalu
Chad	Democratic Republic of Congo	Central African Republic.	Uganda
Timor Leste	Lao People's Democratic Republic	Rwanda	Vanuatu*
Equatorial Guinea	Lesotho	Samoa*	Yemen
			Zambia

Annex 2

Rules of Origin under GSP Scheme of Turkey

In the context of Generalised System of Preferences, Turkey has granted tariff preferences to the beneficiary countries¹ as from 1 January 2002 as a result of the Customs union between Turkey and the European Community, which is based on Association Council Decision No. 1/95 between Turkey and the European Community.

The rules of origin are regulated by the “Decision on the Determination of Origin of Goods Benefiting from Preferential Regime for the Purposes of the Generalized System of Preferences No. 2001/3485 ” (Hereinafter referred to as “Decision), which was published on the Turkish Official Gazette on 30 December 2001, and as *amended by the Decisions published in the Official Gazete of the Republic of Turkey on 9 October 2003/25254 and 24 March 2004/25408*)

The Decision regulates the procedures and principles on determining the origin of goods benefiting from the preferential regime at trade with Turkey for the purposes of the Generalized System of Preferences. The provisions of Decision are in accordance with the ones of the “Commission Regulation No. 1602/2000 amending Regulation No. 2454/93 laying down provisions for the implementation of Council Regulation No. 2193/92 establishing the Community Customs Code” and *Commission Regulation No. 881/2003 of 21 May 2003*.

Goods to benefit from preferential treatment under the Turkish GSP scheme must meet the following three main requirements:

- 1. *The exporting country must be designated as the beneficiary country;***
- 2. *The product must be eligible for GSP treatment;***
- 3. *The product must meet the origin criteria.***

Concerning the origin criteria, goods exported from beneficiary country to Turkey must comply with rules of origin requirements if they are to benefit from the preferential tariff treatment provided that they are under the GSP scheme. Goods not complying with the rules of origin requirements will be denied preferential treatment and the normal duty rate will apply to these goods.

¹ These countries are available in Annex III (Ek 3) of Turkish Import Regime.

The rules of origin under the Turkish GSP scheme comprises the following elements:

1. *Origin criteria.*
2. *Direct consignment.*
3. *Documentary evidence.*

1. *Origin criteria*

Article 3, 4, 6 and 7 of the Decision refers to the conditions of products to be considered as originating in Turkey or in a beneficiary country. Article 5 concerns cumulation with Norway, Switzerland and the European Community (Diagonal Cumulation). Article 13 sets out the provision with Regional Cumulation.²

a) *Wholly obtained products (Article 6)*

The following shall be considered as wholly obtained in Turkey or in a beneficiary country:

- (1) mineral products extracted from its soil or from its seabed;
- (2) vegetable products harvested there;
- (3) live animals born and raised there;
- (4) products from live animals raised there;
- (5) products obtained by hunting or fishing conducted there;
- (6) products of sea fishing and other products taken from the sea outside its territorial waters by its vessels;
- (7) products made on board its factory ships exclusively from the products referred to in subparagraph (6);
- (8) used articles collected there and fit only for the recovery of raw materials;
- (9) waste and scrap resulting from manufacturing operations conducted there;
- (10) products extracted from the seabed or below the seabed which is situated outside its territorial waters but where it has exclusive exploitation rights;
- (11) goods produced there exclusively from products specified in subparagraphs (1) to (10).

(a) The terms 'its vessels' and 'its factory ships' in paragraph (a) (6) and (7) shall apply only to vessels and factory ships:

- (1) which are registered or recorded in the Republic of Turkey or in the beneficiary country;
- (2) which sail under the flag of the Republic of Turkey or of a beneficiary country;
- (3) which are at least 50 per cent owned by nationals of the Republic of Turkey, or of the beneficiary country or by a company having its head office in the Republic of Turkey or in that country, of which the manager or managers, Chairman of the Board of Directors or of the Supervisory Board, and the majority of the members of such boards are nationals of the Republic of Turkey or of that beneficiary country and

² These provisions are not applicable now. Only bilateral cumulation is valid.

- of which, in addition, in the case of companies, at least half the capital belongs to the Republic of Turkey or that beneficiary country or to public bodies or nationals of the Republic of Turkey or of that beneficiary country;
- (4) of which the master and officers are nationals of the Republic of Turkey or of the beneficiary country; and
 - (5) of which at least 75 per cent of the crew are nationals of the Republic of Turkey or of the beneficiary country.
- (b) Vessels operating on the high seas, including factory ships on which the fish caught is worked or processed, shall be considered as part of the territory of the Republic of Turkey, or of the beneficiary country to which they belong, provided that they satisfy the conditions set out in paragraph (b).

b) Products which have undergone sufficient working or processing (Article 7)

Products, which are not wholly obtained, are considered to be sufficiently worked or processed when the conditions set out in the list in Annex II of the Decision are fulfilled.

On the other hand, non-originating materials may be used in the manufacture of a product provided that: (a) their total value does not exceed 10 per cent of the ex-works price of the product; (b) any of the percentages given in the list for the maximum value of non-originating materials are not exceeded through the application of this paragraph.

c) Insufficient working or processing (Article 8)

The following operations shall be considered as insufficient working or processing to confer the status of originating products:

- (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;
- (d) ironing or pressing of textiles;
- (e) simple painting and polishing operations;
- (f) husking, partial or total milling, polishing and glazing of cereals and rice;
- (g) operations to colour sugar or form sugar lumps; partial or total milling of sugar;
- (h) peeling, stoning and shelling, of fruits, nuts and vegetables;
- (i) sharpening, simple grinding or simple cutting;
- (j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);
- (k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;
- (l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;

- (m) simple mixing of products, whether or not of different kinds, where one or more components of the mixtures do not meet the conditions laid down in this section to enable them to be considered as originating in a beneficiary country or in Turkey;
- (n) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;
- (o) a combination of two or more of the operations specified in points (a) to (n);
- (p) slaughter of animals.

d) Cumulation of origin

Bilateral cumulation (Article 4)

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 8 of the decision.

Cumulation with Norway, Switzerland and the European Community (Article 5)

Article 5 lays down the provision with cumulation with Norway, Switzerland and EC. However, this Article will not be applicable until the necessary agreements have been made between these countries.

This Article is no longer applicable

Regional cumulation (Article 13)

According to Article 13 of the Decision, regional cumulation is applicable which means that products originating in any of the countries of that regional group and used in further manufacture in another country of the group shall be treated as if they originated in the country of further manufacture.

Three regional economic groups may utilize the Turkish GSP Scheme. ***These are;***

- Group 1: Brunei-Darussalam, Cambodia, Indonesia, Lao (People's Republic of), Malaysia, Philippines, Singapore, Thailand, Viet Nam;
- Group 2: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Peru, Venezuela,
- Group 3: Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka.

On the other hand, the provisions relating to the regional cumulation shall be applied provided that these rules, as between the countries of the regional group, are identical to those laid down in this Decision and each country of the regional group has undertaken to comply or ensure compliance with the terms of this Decision and to provide the administrative cooperation necessary both to Turkey and to the other countries of the regional group in order to ensure the correct issue of certificates of origin Form A and the verification of certificates of origin Form A and invoice declarations.

The Secretariats are as follows:

- Group 1: The General Secretariat of the Association of South-East Asian Nations (ASEAN)
- Group 2: The Andean Community – Central American Common Market and Panama Permanent Joint Committee on Origin (Comité Conjunto Permanente de Origen Comunidad Andina-Mercado Común Centroamericano y Panamá);
- Group 3: The Secretariat of the South-Asian Association for Regional Cooperation (SAARC)

The countries which are listed in the regional groups must submit the Form in Annex 3 and the secretariats of the Regional Groups must transmit the above mentioned undertaking via diplomatic channels to Turkey.

This article is no longer applicable since the necessary undertaking was not transmitted to Turkey by the Secretariats of the Regional Groups.

(2) *Direct consignment*

According to Article 22 of the Decision, preferential treatment shall only be applied to the products fulfilling the requirements of this Decision and transported directly between Turkey and the beneficiary country.

This requirement aims to ensure that goods shipped from a beneficiary country are the same goods as those presented at the port of entry into Turkey and that they have not been manipulated or further processed in third countries during shipment.

(3) Documentary evidence

- a. Products originating in the beneficiary country shall benefit from the Generalized System of Preferences on importation to Turkey on submission of either Certificate of Origin Form A or an invoice declaration.**

Certificate of origin Form A

Originating products within the meaning of the Decision shall be eligible, on importation into the Republic of Turkey to benefit from the preferential regime on submission of a certificate of origin Form A, which is issued by the Customs authorities or by other competent governmental authorities of the beneficiary country.

Invoice declaration

An invoice declaration may be made out if the products concerned can be considered as originating in Turkey, or in a beneficiary country and fulfil the other requirements of the Decision. The invoice declaration may be either made out by an approved exporter of the Republic of Turkey, or by any exporter for any consignment consisting of one or more packages containing originating products whose total value does not exceed EUR 6000.

Certificate of origin Form A issued retrospectively and duplicated

A certificate of origin Form A may be exceptionally issued after exportation of products in the following cases:

- *It was not issued at the time of exportation because of errors and involuntary omissions or special circumstances;*
 - *It is demonstrated to the satisfaction of the competent governmental authorities that a certificate of origin Form A was issued but not accepted at importation for technical reasons;*
 - *In the event of the theft, loss or destruction of a certificate of origin Form A, the exporter of a certificate of origin Form A, the exporter may apply to the governmental authorities which issued it for a duplicate to be made out on the basis of the export documents in their possession.*
- (b) On exportation from Turkey to the beneficiary countries in order to benefit from bilateral cumulation for goods originating in Turkey and fulfilling the other requirements of the Decision, evidence of the originating status of products shall be furnished by either an EUR.1 movement certificate or an invoice declaration.**

The procedures and principles of use of EUR.1 movement certificates issued and invoice declarations are laid down in the “Regulation on Movement Certificate of EUR.1 and Invoice Declaration To Be Issued On Exportation Under The Generalized System of Preferences of Turkey”, which is published on the Turkish Official Gazette No. 24704 on 23 April 2002.

Non commercial products

Products sent as small packages from private persons whose value does not exceed EUR 500 and forming part of traveller's personal luggage the total value of which does not exceed EUR 1200, shall be admitted as originating without requiring the submission of proof of origin.

Validity of proof of origin

A proof of origin shall be valid for ten 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.

Subsequent verification

The information provided on certificates of origin Form A and invoice declarations may be verified at random or whenever the customs authorities of Turkey have reasonable doubts as to the authenticity of the document, or the accuracy of the information regarding the origin of the goods.

When an application for subsequent verification has been made, such verification shall be carried out and its results communicated to Turkey within a maximum of six months. If in cases of reasonable doubt there is no reply within the six months, 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, 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 authorities shall, except in exceptional circumstances, refuse entitlement to the preferential regime.

Validity

The Decision has been implemented from 1 January 2002.

Annex 3**GSP - Turkey*****Explanations***

According to the Article 39 of the Division on Determination of Origin of Goods Benefiting from Preferential Regime for the Purposes of the Generalized System of Preferences which was published in the Official Gazette of the Republic of Turkey on 30 December 2001/2462; the beneficiary countries shall inform the Undersecretariat of Customs of the Republic of Turkey of:

1. *The names and addresses of the governmental authorities situated in their territory which are empowered to issue certificates of origin Form A;*
2. *Together with specimen impressions of the stamps used by those authorities; and*
3. *The names and addresses of the relevant governmental authorities responsible for the control of the certificates of origin Form A and the invoice declarations.*

The stamps shall be valid as from the date of receipt by the Undersecretariat of Customs of the Republic of Turkey of the specimens.

When these communications are made within the framework of an amendment of previous communications, the Undersecretariat of Customs of the Republic of Turkey shall indicate the date of entry into use of those new stamps according to the instructions given by the competent governmental authorities of the beneficiary countries.

This information is for official use; however, when goods are to be released for free circulation, the Customs authorities in question may allow the importer or his duly authorized representative to consult the specimen impressions of the stamps mentioned in this paragraph.

The Undersecretariat of Customs of the Republic of Turkey shall send, to the beneficiary countries, specimen impressions of the stamps used by its own Customs authorities for the issue of EUR.1 movement certificates.

For the purposes of the provisions concerning the tariff preferences referred to in Article 1, every beneficiary country shall comply or ensure compliance with the rules concerning the origin of the products, the completion and issue of certificates of origin Form A, the conditions for the use of invoice declarations and those concerning methods of administrative cooperation.

Detailed explanations concerning Turkish GSP Scheme are available on the UNCTAD and the official website of Undersecretariat Customs of Turkey.

http://www.unctad.org/en/docs/tdbgspturkey1_en.pdf (UNCTAD)

http://www.gumruk.gov.tr/Turkish_Customs_English/toctum.htm (for Rules of Origin)

http://www.gumruk.gov.tr/Turkish_Customs_English/toctum.htm (Legislation for Rules of Origin)

- This form will be filled out completely by the beneficiary countries and will be forwarded to the address below.
- Specimen impressions shall be the origin (not copy)

UNDERSECRETARIAT OF CUSTOMS / TURKEY
General Directorate of EU and Foreign Relations
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FORM TO BE RESUBMITTED TO TURKEY

A. The information of the Single Authority responsible for the post-verification of Form A certificates:

1. The name of the Administration that will carry out the post-verification of Form A certificates (responsible Ministry or main Customs administration or chamber, etc.):

.....

2. The postal address, phone and fax numbers of the above-mentioned administration:

Address:

.....

.....

.....

.....

.....

Phone numbers:

Fax numbers:

B. The list of relevant bodies (administrations) authorized for issuing Form A certificates in the beneficiary country

Name of beneficiary country

<i>Number</i>	<i>Names of administrations authorized for issuing Form A certificates in the beneficiary country</i>
1	
2	
3	
4	
Etc.	

C. Relevant bodies authorized for issuing Form A certificates in the beneficiary country

No	The official name of the administration	Address	Specimen Impressions of stamps used by the authorities ³
1			
2			
Etc.			

³ Specimen impressions should be originals and not copies. If all administrations use the same stamp, it would be appropriate to submit a single stamp.