

How to do business in Turkey

Legal considerations

In Turkey, there are a number of regulatory institutions that specialise in different areas. The most important are the:

- Energy Market Regulatory Authority (EMRA) (<http://www.emra.org.tr/en/home>), which regulates and controls the energy market.
- Banking Regulation and Supervision Agency (BRSA) (<http://www.bddk.org.tr/WebSitesi/English.aspx>), which safeguards the rights and benefits of depositors.
- Capital Markets Board of Turkey (CMB) (<http://www.cmb.gov.tr/>), which is the regulatory and supervisory authority for Turkey's securities markets.
- Information and Communication Technologies Authority (BTK) (<https://www.btk.gov.tr/en-US/>), which undertakes the regulation, authorisation, reconciliation, and supervision of telecommunications activities.
- Tobacco, Tobacco Products and Alcoholic Beverages Market Regulation Board (TAMRB) (<http://www.tapdk.gov.tr/tr.aspx>) (site not in English), which establishes regulatory and supervisory systems in areas dealing with tobacco, tobacco products, alcohol, and alcoholic drinks.
- Privatisation Administration and Privatisation High Council (OIB) (<http://www.oib.gov.tr/>), responsible for carrying out privatisation transactions.

Contact the DIT team in Turkey at: <https://www.gov.uk/world/organisations/department-for-international-trade-turkey#contact-us> or their strategic partner the BCCT at: <http://www.bcct.org.tr/> to help find tax and legal advisers before entering into agreements.

Import restrictions

The Turkish Ministry of Customs and Trade has full details of restricted goods in Turkey. See: <http://english.gtb.gov.tr/trade/customs/import/restrictions>.

Law on marketing and selling

If you are selling to consumers (rather than businesses) you must comply with Turkey's consumer protection requirements.

There are various requirements under Turkish law which marketers need to be aware of, for example:

- anti-pyramid provisions are illegal
- cooling-off period in direct selling increased from 7 to 14 days
- direct selling sales agreements have to be in writing, and authorised by the Ministry of Customs and Trade
- goods have to be delivered within 30 days or the buyer can cancel
- goods should not become defective within six months of delivery

The Turkish Consumer Rights Association – Tüketici Hakları Derneği (THD) works for consumer rights in Turkey. See: <http://www.consumersinternational.org/members/>.

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Standards and technical regulations

Suppliers and manufacturers have an obligation to make sure products are safe. Products must meet relevant safety standards, have clear instructions for proper use and include warnings against possible misuse.

Under Turkish law Consumer Protection Law governs the legal status of all consumer related transactions. This legislation is the main protection for consumer rights along with additional supplementary legislation.

The Turkish Standards Institution at: <https://en.tse.org.tr/> is responsible for the development of commercial standards.

You should consider taking out product liability insurance if you manufacture or supply a physical product that is sold or given away for free. See: <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/product-liability-insurance/>.

Packaging

Your goods should be appropriately packed for Turkey. Consider cultural norms and values when designing and developing product packaging for a Muslim market.

Packages may receive heavy handling and be left in the open air for longer than anticipated, so you should take into account Turkey's climate.

Labelling your products

All packaging must conform to legislation on the prevention of health risks to consumers and the protection of the environment, especially as regards waste treatment. Packaging in wood or vegetable matter may be subjected to a phytosanitary inspection.

Packaging should include shipping marks, numbers, dimensions, and gross weight (in metric), ingredients, name of importer and producer, standards and expiry dates in Turkish. Packages, along with accompanying bills of lading for goods to be shipped through Turkey, must be marked "In Transit".

A Mark of Origin is compulsory, and is controlled by Turkish Customs. A certificate of origin may also be required because of quotas and measures in force concerning bans and anti-dumping regarding certain Asian goods.

Although Turkey is not a member of the European Union (EU), it is a member of the European Customs Union, and has fully implemented many of the European customs directives.

Protecting your intellectual property (IP)

Trademarks, designs, patents and copyright matters in Turkey are governed by the Law on Intellectual and Artistic Works, which is enforced by Turkish judicial authorities. See: http://mevzuat.meb.gov.tr/html/7981_5846.html (website not in English).

The General Directorate of Copyright and Cinematography Department of the Ministry of Culture and Tourism (http://www.kultur.gov.tr/?_dil=2) is in charge of the administrative side of intellectual property issues in Turkey.

The Turkish Patent Institute registers trademarks, patents, licence agreements and such rights upon application, see: <http://www.turkpatent.gov.tr/TURKPATENT/?lang=en>. The protection starts when the application is lodged with the Turkish Patent Institute.

If faced with infringement or piracy you should engage a local legal practitioner who understands the context and has experience of initiating appropriate civil or criminal proceedings. See: <https://www.gov.uk/government/publications/turkey-list-of-lawyers>.

[Source – DIT/ gov.uk]

Taxation

Turkey has one of the most competitive corporate tax rates in the Organisation for Economic Co-operation and Development (OECD) region.

Double taxation agreement

The UK and Turkey have signed a double taxation agreement, ensuring the same income is not taxed in more than one country. See: www.gov.uk/government/publications/turkey-tax-treaties.

Value Added Tax (VAT)

The generally applied Value Added Tax (VAT) rate varies between 1%, 8%, and 18%. If you are registered for Value Added Tax (VAT) you can zero-rate the VAT on most goods you export to Turkey. You will need to get evidence of the export within 3 months from the time of sale.

You can find more information on VAT in non-EU markets and zero-rating conditions at: <https://www.gov.uk/guidance/vat-exports-dispatches-and-supplying-goods-abroad>.

Other taxes on expenditure

Four main product groups are subject to Special Consumption Tax (SCT) at different tax rates:

- petroleum products, natural gas, lubricating oil, solvents, and derivatives of solvents
- automobiles and other vehicles, motorcycles, planes, helicopters, yachts
- tobacco and tobacco products, alcoholic beverages
- luxury products

Banking and insurance company transactions are subject to a banking and insurance transaction tax. This tax applies to income earned by banks, for example on loan interest. The general rate is 5%.

Stamp duty applies to a wide range of documents including contracts, agreements, notes payable, capital contributions, letters of credit, letters of guarantee, financial statements, and payrolls. Stamp duty is levied as a percentage of the value of the document at rates ranging from 0.189% to 0.948%.

Taxes on wealth

There are three kinds of wealth tax including:

- inheritance and gift taxes

- property taxes
- motor vehicle tax

Buildings, apartments and land owned in Turkey are subject to real estate tax ranging at a rate of 0.1% and 0.06%.

Invest in Turkey (the Investment Support and Promotion Agency of Turkey) has detailed information about tax in Turkey, at: <http://www.invest.gov.tr/en-US/investmentguide/investorsguide/Pages/Taxes.aspx>.

Excise duty in Turkey

You should check you have paid excise duty on any alcohol, alcoholic drinks, energy products, electricity or tobacco products you send to Turkey.

Company and corporate tax in Turkey

In Turkey, the corporate income tax rate levied on business profits is 20%.

Contact the DIT team in Turkey at: <https://www.gov.uk/world/organisations/department-for-international-trade-turkey#contact-us> or their strategic partner the BCCT at: <http://www.bcct.org.tr/> to help find tax advisers before entering into agreements in Turkey.

Customs and documentation

Complying with HMRC regulations to export to Turkey

You must make export declarations to HMRC through the National Export System (NES)

(<https://www.gov.uk/guidance/export-declarations-and-the-national-export-system-export-procedures>) to export your goods to Turkey.

You can find out how to declare your exports to Turkey through the NES, at: <https://www.gov.uk/guidance/export-declarations-and-the-national-export-system-export-procedures>. You must classify your goods as part of the declaration, including a commodity code and a Customs Procedure Code (CPC). You can find commodity codes and other measures applying to exports in the UK Trade Tariff, at: <https://www.gov.uk/trade-tariff>.

Contact the HMRC Tariff Classification Service at: <https://www.gov.uk/government/publications/notice-600-classifying-your-imports-or-exports/notice-600-classifying-your-imports-or-exports#list-of-useful-contacts> for more help.

You must declare any goods that you take with you in your baggage to sell outside the EU. See: <https://www.gov.uk/take-goods-sell-abroad>.

Temporary export of goods

You can use an ATA (Admission Temporaire/Temporary Admission) Carnet to simplify the customs procedures needed to temporarily take goods into Turkey, see: <https://www.gov.uk/taking-goods-out-uk-temporarily>. You should be aware of the ATA carnet restrictions for Turkey, see: <https://www.londonchamber.co.uk/export-documents/ata-carnet/>.

You need an export licence to temporarily take dual use goods to Turkey.

Use the SPIRE system to apply for a temporary export licence. See: <https://www.spire.trade.gov.uk/spire/fox/espire/LOGIN/login>.

Customs

The EU and Turkey are linked by a Customs Union agreement (<http://ec.europa.eu/trade/policy/countries-and-regions/countries/turkey/>), which came into force on 31st December 1995.

The Turkish Ministry of Customs and Trade regulates all goods imported into the country, and has details of all duties, taxes, restrictions and customs procedures. See: <http://english.gtb.gov.tr/trade/customs/import/procedures>.

Turkey applies the Customs Union common external tariff (CET) to industrial goods, and its applied Most-Favoured Nation (MFN) tariffs for non-agricultural products are low, on average 5%.

You can find more about import tariffs in the EU's Market Access Database at: <http://madb.europa.eu/madb/indexPubli.htm>.

Documentation

A commercial invoice and a bill of lading or airway bill are needed to accompany all commercial shipments. Depending on the type of product, a Certificate of Origin may be required too. Import licences and certificates are needed for food and agricultural imports.

Companies selling to the Turkish market must submit evidence of conformity compliance (CE Mark) either by providing a certificate from a notified body or a manufacturer's declaration of conformity declaring compliance to all relevant standards and directives.

All documents must be obtained from and/or approved by relevant authorities in the country of origin, and submitted in the original language with a translation into Turkish.

The Turkish Ministry of Customs and Trade has further information on specialised customs requirements for food, drugs, chemical, biological, medical, cosmetic and some other goods. See: <http://english.gtb.gov.tr/trade/customs/specialized-customs>.

Shipping your goods

If you are not knowledgeable about international shipping procedures you can use a freight forwarder to move your goods. A forwarder will have extensive knowledge of documentation requirements, regulations, transportation costs and banking practices in Turkey.

You can find freight forwarding companies to help you transport your goods to Turkey via the British International Freight Association (BIFA) at: <http://www.bifa.org/home> or the Freight Transport Association (FTA) at: <http://www.fta.co.uk/>.

Posting goods

The Royal Mail has details about sending goods by post to Turkey. See: <http://www.royalmail.com/turkey>.

Shipping dangerous goods

Special rules apply if you are shipping dangerous goods to Turkey. See: <https://www.gov.uk/shipping-dangerous-goods/what-are-dangerous-goods>.

Terms of delivery

Your contract should include agreement on terms of delivery using Incoterms. See: <https://www.gov.uk/guidance/international-trade-paperwork-the-basics#international-trade-contracts-and-incoterms>.

UK Export Finance

The government can provide finance or credit insurance specifically to support UK exports through UK Export Finance (UKEF) – the UK's export credit agency. See: <https://www.gov.uk/government/organisations/uk-export-finance>.

For up-to-date country-specific information on the support available see UKEF's cover policy and indicators for Turkey at: <https://www.gov.uk/guidance/country-cover-policy-and-indicators#turkey>.

[Source – DIT/UKEF/gov.uk]

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