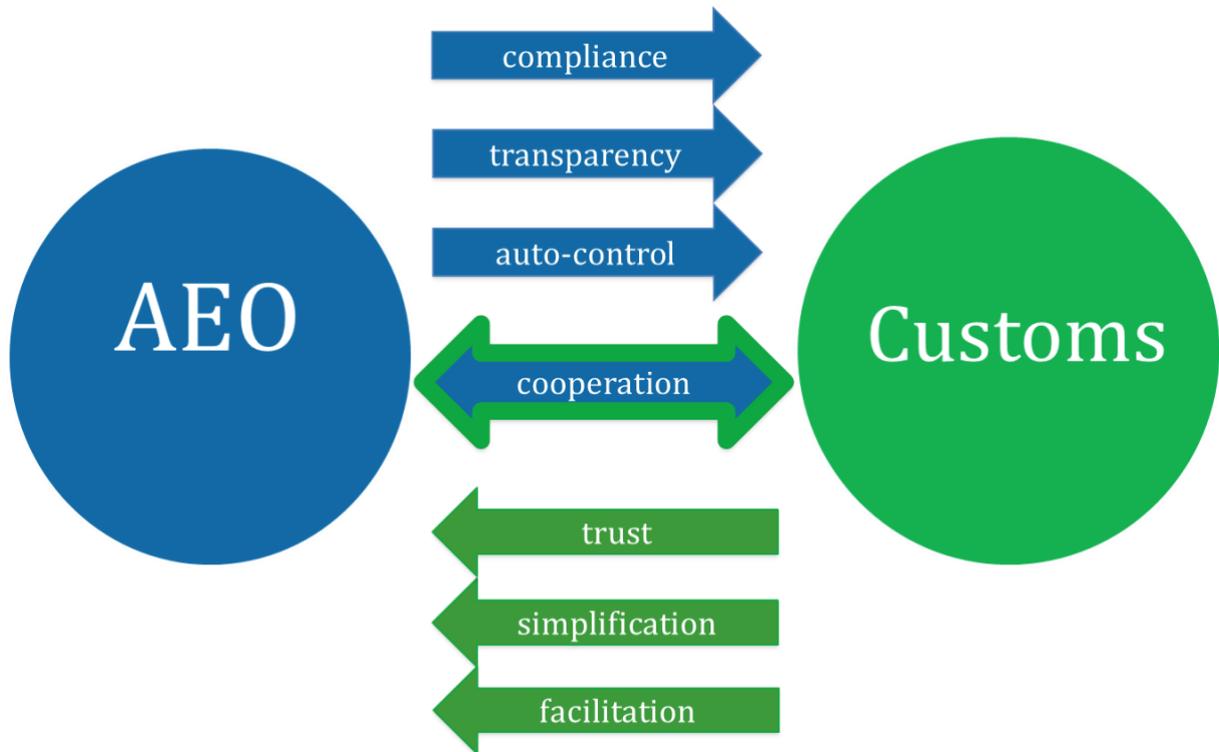


AUTHORIZED ECONOMIC OPERATOR PROGRAM OF TURKEY

Turkey's strategic vision for customs and foreign trade is to enhance its commercial activities towards making them the easiest and the safest in the world. In this vision, Turkey has launched its Authorized Economic Operator (AEO) Program on January 10, 2013 (the new version was published on May 21, 2014).

This program's aim is to facilitate the foreign trade operations of its traders by minimizing the required lead times and costs. It will also illuminate our already extensively skilled and reliable traders. The programs also aim at enhancing security through granting recognition to reliable operators and encouraging best practice at all levels in the international supply chain.



The Requirements for Obtaining the AEO Certificate

Companies established in Turkey and who have been in operation for at least three years can apply for the AEO Certificate. There are four main requirements for obtaining the AEO Certificate.

1. Reliability

Companies must be reliable when it comes to customs liabilities. Customs related penalties the companies are fined should not exceed certain rates.

2. Financial solvency

Companies must have financial solvency. A report written by a chartered certified accountant is required, which shows the company is able to pay its debts and is financially adequate.

3. Traceable documentation

Companies must have adequate traceable documentation. They declare the ways they keep their records via self-assessment questionnaire and auditors conduct an on-site validation.

4. Safety and security

Companies must be practicing the necessary safety and security measures. They declare that they fulfil safety and security criteria via self-assessment questionnaire and auditors conduct an on-site validation.

The Application Process

Companies have to apply with the required documents to the Regional Directorates closest to their operation center. The regional directorate examines the submitted documents and decides whether they are appropriate. After this initial examination, the team at the headquarters examines the self-assessment questionnaire and decide whether the questionnaire is properly filled out by the applicant. The headquarters may ask for revisions at this point.

If the documents together with the self-assessment questionnaire are found appropriate, the regional directorate will send them to the Ministry of Trade for the audit process to begin. The designated auditors will visit the premises of the company and conduct an on-site validation to see if the company meets the necessary documentation and implementation as well as necessary safety and security criteria. The auditors write a report about their findings and send it to the headquarters.

At the headquarters, the audit report and submitted documents are reviewed and certificates will be given to the companies that are found eligible.

The certificate's validity is indefinite as long as the criteria are met. There are periodic checks by the Ministry to see if the companies still hold the criteria. The certificates may be suspended or revoked if companies do not comply with the rules set.

The Self-Assessment Questionnaire

Companies will have to fill out a self-assessment questionnaire before applying for the AEO status. This questionnaire contains more over 500 questions on topics such as;

- How records are kept,
- Internal control procedures,
- Customs compliance,
- Safety and security of premises and cargo units,
- Safety and security of goods,
- Supply chain security,
- Personnel security.

The Facilitations Given to Certificate Holders

The AEO Certificate provides a number of simplifications and privileges in customs procedures and logistic processes.

A. Facilitations for all Certificate Holders

1. Incomplete Declaration and Documents

AEO holders may submit their declaration without the original copies of certain documents under the condition of providing the documents in a certain period after the lodging of the declaration.

2. The Use of Partial Guarantee

In cases where a guarantee is required for goods subject to customs warehouse procedure and temporary import procedures, 10 % of import duties are collected from the certificate holders as a guarantee, which is significantly less than the usual amount.

3. Green Line Facilitation

Customs declarations running through the green line are not subject to documentary or physical controls.

4. Customs Clearance Onboard

AEO companies may complete customs procedures without discharging their goods from the transportation vehicle.

5. Summary Declaration with Reduced Data

AEO companies may submit summary declaration with less data.

6. Fewer Documentary and Physical Controls with Control Priorities

AEO companies are subject to fewer documentary and physical controls and have priority if they subject to such controls.

B. Facilitations for Certificate holders who fulfill additional requirements:

1. Right to Benefit From Lump Sum Guarantee

AEO companies may provide a lump sum guarantee, which enables them to being exempt from providing a guarantee for each transaction separately.

2. Right to Issue and Confirm ATR Movement Certificate

AEO companies may issue and confirm their ATR movement certificates without submitting them to the customs authorities for confirmation.

3. Right to Issue Invoice Declaration or EUR.MED Invoice Declaration

AEO companies may issue invoice declarations or EUR.MED invoice declarations regardless of the value of the goods.

4. Local Clearance for Exports

The export operations of the goods are carried out at the exporter's own facilities, without being taken to the export customs directorate and directly shipped to the customs office of exit. Being an AEO holder is a prerequisite for this facilitation unlike the situation in many EU member countries.

5. Local Clearance for Imports

The goods are shipped directly from the entrance customs administration to the importer's own premises without a stop at the import customs administration and the import operations can be completed at the firm's own facilities. Being an AEO holder is a prerequisite for this facilitation unlike the situation in many EU member countries.

6. Authorized Consignor

The transit operations of export goods are carried out at the carrier firm's own facilities and they do not have to be presented to the departure customs office. Being an AEO holder is a prerequisite for this facilitation unlike the situation in many EU member countries.

7. Authorized Consignee

The transit operations of import goods are carried out at the carrier firm's own facilities and the goods do not have to be presented to the arrival customs office. Being an AEO holder is a prerequisite for this facilitation unlike the situation in many EU members.

8. Priority Border Crossing

AEO companies have the right of priority border crossing on the exits from the Kapıkule Customs Directorate when it is a transportation of local clearance in export or authorized consigner.

Mutual Recognition Agreements (MRAs)

MRAs provide AEO certificates to be recognized between signing parties and deliver the facilitations to the recognized AEO certificates of the cosigned country. Turkey has signed an MRA with South Korea on June 9, 2014. Turkey has ongoing MRA negotiations with the People's Republic of China, Kazakhstan, Georgia and the Russian Federation.

Legal Basis

The main regulation is “The Customs Law Implementing Provisions for the Facilitation of Customs Procedures” which was published in the Official Journal of the Republic of Turkey dated January 10, 2013 and last amended in February 2020. The Regulation is in line with the Community Customs Code, EU Legislation and WCO SAFE Framework of Standards.