

Turkey introduces new Additional Customs Duties, temporarily amends certain current duties

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Executive summary

Turkey has introduced, via Presidential Decree No. 2424, new Additional Customs Duties to be imposed on the importation of miscellaneous goods. Additionally, in conjunction with other decrees published on 18 April and 21 April, additional customs duty rates levied on a range of products have been amended. Lastly, on 18 April 2020, customs duties applied on certain iron-steel products have been temporarily increased by 5% for import transactions from Generalized System of Preferences (GSP) countries and "Other Countries."

Detailed discussion

On 18 April 2020, Presidential Decree No. 2424, promulgated in the *Official Gazette* has introduced new Additional Customs Duties (ACD). The rate of duties ranges from 5% to 50% and they will be applied on various products, mainly on certain plastics, electronic products, iron-steel products, sports goods and machinery. ACD rates listed in Annex-1 to the Decree will be applied as of 18 April 2020 through 30 September 2020; while the additional duty rates in Annex-2 will be applied from 1 October 2020.

In general, the newly introduced ACD rates are as follows based on product groups:

Product group/industry	Decree No. 2424 - ACD rate	
	18 April 2020 - 30 September 2020	1 October 2020 onwards
Prepared glues and other prepared adhesives	30%	10%
Plastics	26-40%	8-10%
Iron-steel products, e.g., screws and bolts	30%	10%
Fans, cutting machines, hydraulic presses	14-20%	7.7-20%
Electrical machinery	7.1-20%	5-7.5%
Certain multimeters	5.8%	5.8%
Wristwatches, pocket watches, others	45%	25%
Video game consoles, festivity articles, etc.	35-50%	10-20%
Buttons, press-fasteners	46-50%	10%

Via Presidential Decrees No. 2425, 2429, and 2430, issued on 18-21 April 2020, the rate of additional customs duties which are currently in force have been amended. Most notably, via Decree No. 2425, the ACD rate calculation method for textile products, which depended on the value and weight of those goods, have been removed and instead a fixed rate has been introduced for these products. Furthermore, more than 20 ACD Decrees have been amended by Decrees No. 2429 and 2430, and these amendments on ACD rates will be in force until 30 September 2020 (inclusive).

In Annexed Lists to the ACD Decrees, which indicate the ACD rates to be collected, the ACD rate is 0% for goods which originate in European Union (EU) and in Free Trade Agreement countries. EU-origin goods must be imported along with an A.TR movement certificate. Diagonal origin cumulation countries are also included for this 0% ACD rate. In these cases, submission of correct origin certificate is critical.

Lastly, via Decree No. 2423, the rate of customs duties has been increased by 5% which is applied on the importation of a number of iron-steel products from GSP countries and "Other Countries," i.e., those with which Turkey does not have a preferential trade agreement. This increase in customs duties will be in effect until 15 July 2020 (inclusive).

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