

Indirect Tax Alert

Turkey extends application of temporary and high rate of Additional Customs Duties through 31 December 2020

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Executive summary

On 23 September 2020, through Presidential Decree No. 2955, changes were made to various decisions that came into force during 2020 regarding the application of Additional Customs Duties (ACD). Specifically, certain increased rates will now remain in effect through 31 December 2020.

Detailed discussion

For many products, the increased rates of ACD were expected to be applied through 30 September 2020 and then reduced as of 1 October 2020. After the amendments made through Presidential Decree No.2955 dated 23 September 2020, it has been announced that the increased rates will continue **through 31 December 2020**.

For example, the rate of 20% ACD will be applied until 31 December 2020 for home type coolers with Harmonized Schedule (HS) Code 8418.21.10.00.00. The ACD rate will be decreased to 15% as of 1 January 2021 instead of 1 October 2020 after this amendment.

- ▶ *Presidential Decree No. 2423 dated 17 April 2020*
- ▶ *Presidential Decree No. 2424 dated 17 April 2020*
- ▶ *Presidential Decree No. 2429 dated 20 April 2020*
- ▶ *Presidential Decree No. 2430 dated 20 April 2020*
- ▶ *Presidential Decree No. 2514 dated 11 May 2020*
- ▶ *Presidential Decree No. 2565 dated 19 May 2020*
- ▶ *Presidential Decree No. 2682 dated 27 June 2020*

The scope of Decrees mentioned above are as follows:

- Presidential Decree No. 2423 increased the rate of customs duties which are applied on the importation of a number of iron-steel products from GSP countries and “Other Countries,” i.e., those Turkey does not have a preferential trade, by 5%.

- For background on the new and amended ACD Decrees, see EY Global Tax Alert, [*Turkey introduces new Additional Customs Duties, temporarily amends certain current duties*](#), dated 23 April 2020. It is important to note that there will be no change in the implementation dates of the decisions not mentioned above.

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