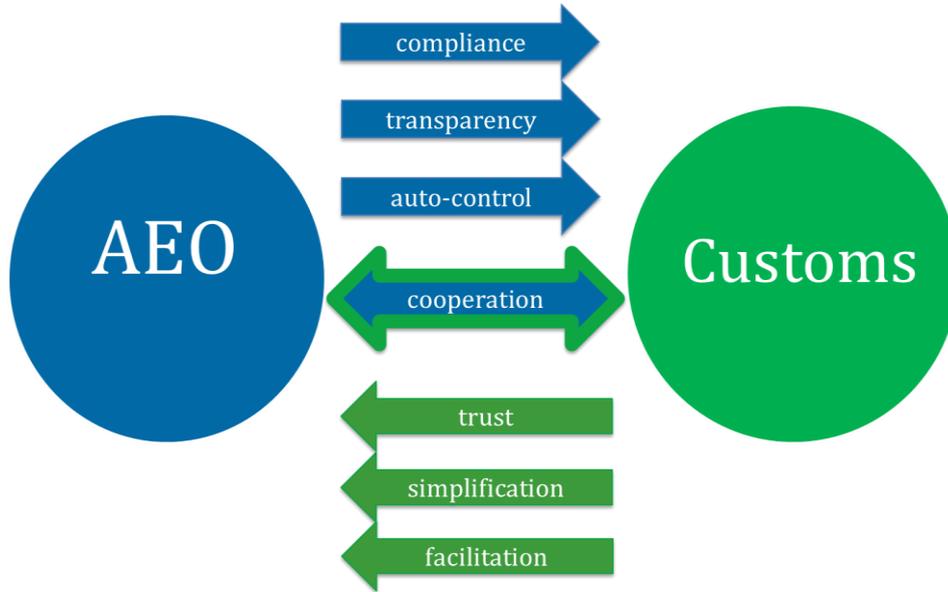


Authorized Economic Operator Program of Turkey

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.

For this vision Turkey has launched its Authorized Economic Operator (AEO) Program on January 10th, 2013 (the second version which includes import facilitations was published on May 21st, 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 aims at enhancing security by encouraging best practice at all levels in the international supply chain.



The requirements for obtaining the AEO Certificate

Companies which;

- are reliable,
- have adequate traceable documentation,
- have financial solvency,
- practice the necessary safety and security measures,
- are in operation for at least three years,
- are established in Turkey

can apply for the AEO Certificate. It is also mandatory for companies to present up-to-date ISO 9001 and ISO 27001 certificates (the latest certificates are ISO 9001:2008 and ISO 27001:2013).

The Self-Assessment Questionnaire

Companies will have to fill out a self-assessment questionnaire before applying for the AEO status. This questionnaire contains 108 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 Application Process

Companies which request certification will have to apply with the required documents to the Regional Customs and Trade Directorates they operate with. After the application, the regional directorate will examine the submitted documents and decide whether they are appropriate.

If the documents are found appropriate, the regional directorate will send them to the Ministry of Customs and Trade (headquarters), where the self-assessment questionnaire will be examined. The headquarters can at this point ask for clarifications. If the answers are complete, the audit process can begin.

The designated auditors will visit the premises of the company and perform due diligence to see if the company meets the necessary documentation and implementation as well as necessary safety and security criteria. The auditors will write a report about their findings and send it to the headquarters.

At the headquarters the audit report and submitted documents will be 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 will be periodic checks by the Ministry to see if the companies still hold the criteria.

The certificates will be suspended or revoked according to their offences if companies do not comply with the rules set.

The facilitations given to certificate holders

The certificate holders will have privileges such as;

- the rights of local clearance, authorized consignor status, and authorized consignee status
- the use of lump-sum guarantees or partial guarantees,
- issuing A.TR movement certificates and EUR.MED invoice declarations on their own,
- submitting incomplete declaration and documents,
- summary declaration with reduced data,
- green-line facilitations,

- fewer documentary and physical controls, control priorities.

The main two facilitations that are connected with the Certificate are:

Local Clearance

Starting with exports, with the right of local clearance every facility that possess the required conditions will be given the authority to send its shipments without visiting a customs office. To obtain this right the company should have a minimum amount of 5 million US \$'s of export annually and an AEO certificate.

As of May 21st, 2014 (effective from January 1st, 2015), the local clearance procedure is also available for imports. Companies who meet the necessary criteria and have an AEO certificate can apply for this right. They will not have to visit a customs office for their imports and will be able to complete their import transaction in their own facilities.

With this facilitation, all necessary customs transactions and controls will be executed at the facilities of the company. This will enable the company to reduce its lead times and eliminate the costs of clearance at the customs office.

A company can have this right for more than one facility as long as they meet the required conditions. The relevant customs office entitled for necessary controls will be designated by the regional directorate.

Authorized Consignor/Consignee

With the right of authorized consignor status, the facilities of the shipping companies that possess the required conditions will be given the authority to transit their clients' shipments without visiting a customs office. To obtain this right the shipping company should have a minimum amount of 500 transit declarations annually and an AEO certificate.

As of May 21st, 2014 (effective from January 1st, 2015), shipping companies can also ask for the authorized consignee status. With this status, companies can complete customs transit transactions for imports at their own facilities or at the facilities of companies who hold the right of local clearance. Companies who meet the necessary criteria and have an AEO certificate can apply for this right.

All necessary controls and sealing activities will be executed at the shipping company's facility. A shipping company could have this right for more than one facility as long as they meet the required conditions. The relevant customs office entitled for necessary controls will be designated by the regional directorate.

The benefits of the AEO Program

Aside from the rights that provide companies with reduced lead times and costs, the AEO status, with the help of many other country's similar programs, provide companies with a large window of recognition among international parties. This causes a marketing advantage among their competition.



The greatest benefit arises when Mutual Recognition Agreements (MRA) are signed with other countries. MRAs provide AEO certificates to be recognized between parties and deliver the facilitations to the recognized AEO certificates of the cosigned country.

Turkey has signed an MRA with South Korea on June 9th, 2014 and is negotiating with other countries.

The AEO program of Turkey started a new era in customs procedures and it is expected to facilitate the trade of Turkey greatly with its trading partners. The AEO program is a major step to reach our vision of being the country where trade is the easiest and the safest.