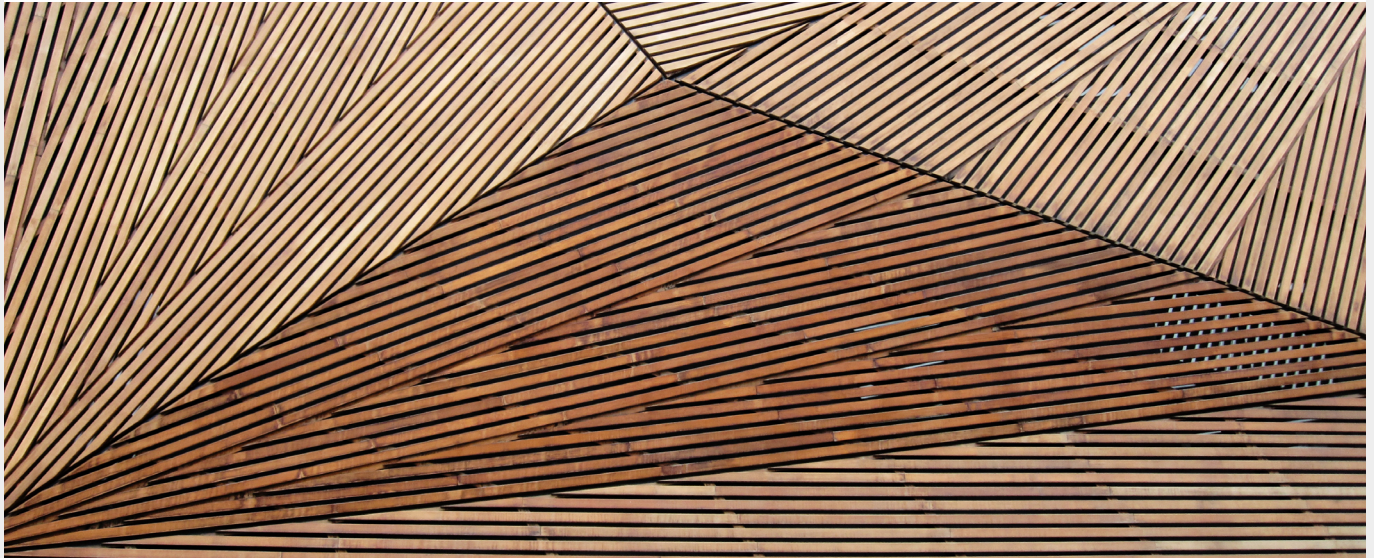


# Turkey overhauls Customs Law

*November 2019*



Turkey's Customs Law (the "**Law**") was amended by Law no. 7190 of 24 September 2019, published in the Official Gazette on 7 November 2019. You will find details of the most significant changes below.

- Article 177 of the Law, which lists the goods to be liquidated, has been amended in order to add to the list surplus goods determined to be in excess according to the customs declaration.
- With an amendment to Article 202 of the Law, the amount of the security to be provided to customs authorities to guarantee the payment of customs duties and other public debts has been reduced, and is now equal to the total amount of customs duties and other public debts. The previous version of the Law, which had been heavily criticised, required that security be posted for the total amount of customs duties and other public debts plus 20%. In addition, the discretionary powers of the customs authorities' regarding the requirement to provide security have been abolished, and this requirement is now limited to the situations contemplated by the legislation.
- The scope of Article 216 of the Law, which regulates the repayment of unduly collected customs duties, surcharge or late payment interest, has been extended. If the excess payment was caused by the debtor, interest will now accrue upon the amount to be reimbursed from the date of the request for repayment. In other cases, the interest will apply from the date of collection until the date upon which the decision of restitution is notified to the customs authority. The unduly collected amount will be repaid to the debtor together with the late payment interest calculated in accordance with the provisions of Law no. 6183 on the Procedure for Collection of Public Debts.
- A paragraph has been added to Article 231 of the Law, which provides that if goods subject to a confiscation order cannot be found, the customs value of the goods shall be confiscated. The new provision thus brings a solution to the unenforceability of administrative decisions regarding the confiscation of goods which are no longer held by the importer.
- Pursuant to Article 235/1/c of the Law, if the importation of goods is subject to a licence, authorisation, conformity certificate or substitute information given by certain organisations, but the customs declaration is falsely made as if the importation was not subject to any document or information or as if such document or information had been received, the additional customs duties that should have been paid upon the goods, if any, shall be charged to the importer together with an administrative fine equal to twice the customs value of the goods. In accordance with a new paragraph added to Article 235, if the breach is remedied or the inspection is satisfactorily carried out by the relevant institution or organisation within the period determined by the Ministry of Trade, the administrative fine for customs irregularities provided under Article 241/1 of the Law shall be imposed instead.

- If a similar breach is committed with respect to export goods, the amount of the applicable fine has been reduced to one-tenth of the customs value of the goods. If the breach is remedied within the period determined by the Ministry of Trade, however, the administrative fine related to the customs irregularities provided under Article 241/1 of the Law shall be imposed instead.
- Pursuant to an addition made to Article 235 of the Law, if the persons who imported prohibited goods or goods without the required permit report the violation before the customs authority identifies it, only ten percent of the relevant administrative fines shall be imposed. The lawmaker thus encourages perpetrators to self-report their breach.
- The scope of the settlement process organised by Article 244 of the Law has also been extended. Prior to the amendment, it was only possible to request a settlement for customs duties and administrative fines to which no objection had been made. It is now also possible to make a settlement request for customs duties and administrative fines for which an objection has been filed, provided that the objection review has not yet been finalised.
- In case of failure to reach a settlement, the statute of limitations to file an objection or initiate litigation, which is suspended by the request for settlement, starts to run again. If there were less than three days left before the expiry of the deadline to object or initiate litigation, this deadline used to be extended for three days. With the amendment made to Article 244 of the Law, this three-day period has been extended to five days. In this manner, the time allocated to prepare for an objection or litigation process has been extended for situations in which no settlement can be reached.
- An amendment to Article 277 of the Law has extended the list of criminal offences that would disqualify a person from acting as assistant customs broker.
- The period for the temporary revocation of a customs broker or assistant customs broker licence by customs inspectors and regional directors of customs and foreign trade has been limited to six months.
- An addition to Provisional Article 6 of the Law provides that the licence of customs brokers or assistant customs brokers who have been charged before a criminal court in accordance with Anti-Terror Law No. 3713 shall be withdrawn as a precautionary measure until the court proceedings are concluded.

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