

Subsidy Questionnaire (Government)

Case AS0020: Ironing Boards exported from the Republic of Turkey

Period of Investigation (POI):	1 January 2021 – 31 December 2021
Injury period:	1 January 2018 – 31 December 2021
Deadline for response:	22 June 2022
Contact details:	AS0020@traderemedies.gov.uk
To be completed on behalf of:	<i>The Government of Türkiye</i>

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

- Confidential
 Non-Confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annex. Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **22 June 2022**.

Table of Contents

Introduction.....	1
What happens next.....	4
The scope of this investigation.....	4
Goods concerned	4
SECTION A: General information.....	5
A1 Identity and contact details	5
A2 About the sector	5
A3 Imports and exports	7
SECTION B: Government involvement in the sector producing Ironing Boards.....	8
B1 Roles and responsibilities of government	8
B2 Laws and regulations	10
B3 Taxes and tariffs.....	10
B4 Financial assistance.....	11
B5 Market access and government policy initiatives	12
SECTION C: Subsidies	14
C1 Subsidy programmes	14
C2 General information on programmes.....	14
C3 Programme eligibility.....	15
C4 Subsidies received under the programmes	17
C5 Other subsidy programmes	19
SECTION D: Next steps	21
Next steps	21
SECTION E: Checklist and appendices	22

Introduction

About us, this case and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

This case is investigating the allegation that **Ironing Boards** from the **Republic of Turkey (Turkey)** are causing injury to producers in the UK because the goods have benefited from a subsidy from a foreign authority.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries and granted either directly or indirectly for the manufacture, production, export or transport of goods.

Why should I take part?

We are seeking your cooperation as the **Government of Turkey** to identify whether a countervailing duty may be required to counteract the effect of a subsidy.

The information your government provides will help us to determine a fair and proportionate decision.

How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section.

Please provide all the information requested by **22 June 2022**. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.

Where can I find more information?

Our [trade remedies guidance](#) provides general information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at **AS0020@traderemedies.gov.uk**.

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

Instructions on completing this questionnaire

Preparing your response

This section sets out guidance on how to complete this questionnaire

If you think you won't be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

How to answer the questions

Please read and follow all the instructions carefully. You will need to substantiate all your information with relevant data. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annex and any calculations you made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to the **Government of Turkey**, please explain why.
- If the answer to a question is "zero", "no" or "none", please write this rather than leaving the answer blank.
- Please complete the spreadsheet annexes as requested. Annexes are named to correspond to the relevant sections of this questionnaire and must be completed with reference to the instructions provided. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g. 23/05/2019).

- Unless otherwise stated, ‘year’ or ‘calendar year’ refers to the period 1 January – 31 December and ‘quarter’ refers to the associated three-month periods e.g. 1 January – 31 March, 1 April – 30 June, etc.
- Identify all units of measurement and currencies used in tables, calculations and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g. do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g. ‘1,300’ for one-thousand three hundred, ‘1,300,000’ for one million and three-hundred thousand).
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
- Please refer to the case number, **AS0020**, in any correspondence with the TRA.

Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annexes by the due date. We will publish the non-confidential version on the public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.
- Provide the source for all information or data you don’t own and clearly state any restrictions on sharing it.
- If you do *not* provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

What happens next

Once you have completed your questionnaire responses including the corresponding annex and any additional documents requested, you must upload both confidential and non-confidential versions through our [Trade Remedies Service](#).

Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required; and
- the non-confidential responses will be placed on the public file.

The scope of this investigation

Goods concerned

This investigation covers **Ironing Boards** exported from **Turkey**, described as: Ironing boards made from iron or steel, whether or not free standing, with or without a steam soaking and/or heating top and/or blowing top, including sleeve boards, and essential parts thereof, i.e. the legs, the top and the iron rest.

These **goods** are currently classifiable within the following commodity code(s):

7323 93 00 10

7323 99 00 10

8516 79 70 10

8516 90 00 51

These commodity codes are only given for information.

In this questionnaire, these goods will be referred to as '**the goods concerned**'. Any reference to the '**goods**' or '**goods concerned**' in this questionnaire refers to the goods description above, regardless of the tariff classification code under which they are exported.

SECTION A: General information

A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Government dept./ body/ organisation:	The Ministry of Trade of The Republic of Türkiye
Name (point of contact):	Burak GÜREŞCİ – Ümit Mert ERKOYUNCU
Position:	Head of Department – Trade Expert
Address:	The Ministry of Trade – The Republic of Türkiye Söğütözü Mah. 2176. Sk. No:63 06530 Çankaya / ANKARA
Telephone No:	+90 312 204 75 00
Email:	gurescib@ticaret.gov.tr – erkoyuncum@ticaret.gov.tr
Website:	https://www.trade.gov.tr/

A2 About the sector

1. Please provide a description of the sector producing **Ironing Boards** and the relevant upstream industries, including the industries which provide the main inputs. Please detail any changes over the past five years such as entry to or exit from the sectors and mergers or acquisitions.

The Government of Türkiye (GOT) does not have any information on ironing boards sector and the relevant upstream industries with regard to entry to or exit from the sectors and mergers or acquisitions.

Appendix reference:

2. Please describe the main distribution channels for the sector producing **Ironing Boards** and the degree of any upstream or downstream vertical integration.

Ironing boards which is produced in Türkiye may be supplied to the domestic market or exported by Turkish companies.

Appendix reference:

3. Please describe any forms of government involvement with either domestic producers of **Ironing Boards** or the upstream main input suppliers.

There is no government involvement with either domestic producers of ironing boards or upstream main input suppliers.

Appendix reference:

4. Please specify any changes to laws or government regulations that have affected the sector producing **Ironing Boards** since 1 January 2021.

There are no known changes to laws or government regulations that have affected specifically the ironing boards sector.

Appendix reference:

5. Please describe the ownership structure of your domestic industry that produces **Ironing Boards**. In your response, indicate what share of the industry is represented by state-invested enterprises (SIEs), state-owned enterprises (SOEs), foreign-invested enterprises (FIEs) and domestically-owned private enterprises.

Neither the GOT nor any public or private entity under the control of government, holds direct or indirect ownership interest in any of ironing boards producers.

Appendix reference:

6. Please complete **Annex 1, A2 – Domestic manufacturers & traders** listing all domestic manufacturers and traders of the **goods concerned** operating in the POI. Where the government is represented in the company or is a shareholder in it, please:

- provide a description and diagram of the organisational structure covering all subsidiaries and associated companies; and
- attach copies of the last two annual reports.

The GOT does not have any information on producers or traders of ironing boards.

Appendix reference:

7. Please complete **Annex 1, A2 – Domestic upstream suppliers** listing all domestic upstream suppliers of the main inputs related to the production of the **goods concerned** in the POI. Where the **Turkish** government is represented in the company or is a shareholder in it, please:

- provide a description and diagram of the organisational structure covering all subsidiaries and associated companies; and
- attach copies of the last two annual reports.

The GOT does not have any information on domestic upstream suppliers of the main inputs related to the production of ironing boards.

Appendix reference:

8. Please use the table below to provide details of any industry associations that represent producers of **Ironing Boards** (both national and regional).

ANSWER:

The GOT does not have any information on industry associations that represent producers of ironing boards.

Name of industry association	Level of representation (e.g. national)	Address	Website	Contact details (email/telephone no.)

<+ add or remove rows>

A3 Imports and exports

1. Please complete **Annex 1, A3 – Imports and exports** with quarterly data on import and export volumes and values of **Ironing Boards**, for the past five calendar years. Please specify in the annex whether values are based on ex-works, CIF, FOB, etc.

ANSWER:

Please see **Exhibit 1**. Please note that, since there are no tariff codes particularly for ironing boards in Turkish customs code, these statistics are based on the four tariff codes (i.e. 73239300, 73239900, 85167970, 85169000) that are selected by the investigating authority.

2. Please complete **Annex 1, A3 – Upstream imports and exports** with quarterly data for the past five calendar years on import and export volumes for the following upstream inputs:

- Coil and wire steel
- Cotton fabric (cover material)
- Foam/felt (backing pads)
- Any other inputs, or their corresponding raw materials, relevant to the **Ironing Boards** production processes.

Please specify in the annex whether values are based on ex-works, CIF, FOB, etc.

ANSWER:

Please see **Exhibit 1** for the import and export figures for requested CN codes.

SECTION B: Government involvement in the sector producing Ironing Boards

B1 Roles and responsibilities of government

Please identify and describe the specific roles of all levels of central and regional government, any public bodies and/or special economic zones (e.g. Turkish Free Zone) that are involved in the activities below. Such roles could relate to administration, government policies, regulations or decisions affecting the relevant sectors, both direct and indirect. Please provide contact details for the officials responsible for the roles you identify, including mailing address, email address and telephone number.

1. Involvement in policy, economic regulation and decision-making activities related to the production of **Ironing Boards** and the main inputs.

There is no government involvement in policy, economic regulation and decision-making activities related to the production of ironing boards and main inputs.

Appendix reference:

2. Involvement in the manufacture, sale, purchase or acquisition of **Ironing Boards** and the main inputs used in their production.

There is no government involvement in the manufacture, sale, purchase or acquisition of ironing boards and main inputs used in their production.

Appendix reference:

3. The general supervision of the sector for **Ironing Boards**, with reference to the management and administration of any SIEs or SOEs that operate within it.

There is no SIE or SOE which supervises the sector of ironing boards.

Appendix reference:

4. Any requirements affecting market entry for production of **Ironing Boards** and its main inputs, including any environmental regulations affecting either sector.

There are no requirements affecting market entry for production of ironing boards and its main inputs.

Appendix reference:

5. The integration of producers of **Ironing Boards** and the main inputs.

There is no government involvement in the integration of producers of ironing boards and the main inputs.

Appendix reference:

6. The provision of industrial policy and guidance related to the sectors producing **Ironing Boards** and/or the main inputs.

There is no industrial policy and guidance related to the ironing boards and the main inputs.

Appendix reference:

7. Any regulation of land-use affecting production of **Ironing Boards** and/or the main upstream inputs.

There is no regulation of land-use affecting production of ironing boards and/or the main upstream inputs.

Appendix reference:

8. Any banking or financial regulations relating to production of **Ironing Boards** and/or the main upstream inputs.

There is no banking or financial regulation relating to production of ironing boards and/or the main upstream inputs.

Appendix reference:

9. The inspection and investigation of facilities that produce **Ironing Boards**, e.g. health and safety compliance, environmental standards and quality assurance.

There is no inspection or investigation for specifically ironing boards producers.

With regard to the international production standards of the ironing board companies, Turkish Standards Institution (TSE) is a public institution and the sole authorized body for standardization in Türkiye. TSE is an active member of the world standardization community; with its full membership of International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) since 1956, Standards and Metrology Institute for the Islamic Countries (SMIIC) since 2010, European Committee for Standardization (CEN) and European Committee for Electrotechnical Standardization (CENELEC) since 2012.

A company may apply to TSE to obtain a certificate of a standard with relevant documents. TSE officials, checks the documents and inspect the factory on site. Applications that are met the criteria for that standard are approved. Furthermore, TSE officials revisits the factory to confirm its activities annually.

Production of ironing boards in Türkiye corresponds to standard of TS 6589 (under ICS 97.180 (International Classification for Standards)). However, as that is a standard, it is not mandatory for companies to obtain this certificate to produce ironing boards.

Appendix reference:

10. The issuing of import licenses and certificates for raw materials used in the production of **Ironing Boards**.

There is no import licenses or certificates for raw materials used in the production of ironing boards.

Appendix reference:

11. The implementation of export controls, including export licensing and supervision of free trade export zones relating to **Ironing Boards** and the main upstream inputs.

There is no implementation of export controls, including the issuing of export licensing relating to ironing boards and the main upstream inputs. General information on free zones in Türkiye is submitted under Section C.

Appendix reference:

12. The imposition and supervision of taxation, including export taxes, export tax rebates and value added tax (including any rebates) in relation to **Ironing Boards** and the main upstream inputs.

There are no export taxes or export tax rebates in relation to ironing boards and the main upstream inputs. Information on VAT is provided below.

Appendix reference:

B2 Laws and regulations

1. Please list and provide a copy of any laws, regulations, directives or guidelines specific to the regulation of the price of **Ironing Boards** and the main inputs used to produce them. In your answer, please specify the relevant government authorities responsible for each law or regulation.

There is no laws, regulations, directives or guidelines specific to the regulation of the price of ironing boards and the main inputs/raw materials used to produce them.

Appendix reference:

2. Please list and provide a copy of any laws, regulations, directives or guidelines specific to investment in projects related to **Ironing Boards** and the main inputs

used in their production. In your answer, please specify the relevant government authorities responsible for each law or regulation.

There is no laws, regulations, directives or guidelines specific to investment in projects related to ironing boards and main inputs/raw materials used in their production.

Appendix reference:

B3 Taxes and tariffs

1. Please provide a schedule for the last five calendar years showing the corporate tax rates applicable to producers of both **Ironing Boards** and the main inputs. Please explain any differences in taxation rates between and whether these differences are due to government policies.

The corporate income tax rate levied on business profits is 20% for 2017, 22% for 2018, 2019 and 2020, 25% for 2021.

Appendix reference:

2. In relation to the question above, please indicate and provide details of any industry-specific tax exemptions or tax rebates.

There is no industry-specific tax exemptions or tax rebates.

Appendix reference:

3. Please detail the tariff rates and/or quotas applying to imports and exports of **Ironing Boards** and/or the main inputs during the past five calendar years.

*There are no quotas applying to imports and exports of ironing boards and/or main inputs/raw materials during the past 5 calendar years. Please see **Exhibit 2** for the tariff rates applied to imports of the four tariff codes (i.e. 73239300, 73239900, 85167970, 85169000) that are selected by the investigating authority.*

Appendix reference:

4. Please provide a schedule for value added tax (VAT) or equivalent export rebates applicable to exports of **Ironing Boards** and/or the main inputs for the last five calendar years.

According to the Article 11/1-a of VAT Law No:3065; all export deliveries are exempted from VAT. On the other hand, there is no specific VAT exemption for the exports of Ironing Boards and/or main inputs/raw materials.

Appendix reference:

5. If any export quotas have applied to **Ironing Boards** and/or the main inputs during the last five calendar years, please specify the relevant government authorities responsible for setting and monitoring the quotas.

N/A

Appendix reference:

B4 Financial assistance

1. Please provide details of any financial assistance provided, in the last five calendar years, by the **Government of Turkey** for production of **Ironing Boards** or the main inputs.

Please see Section C below.

Appendix reference:

2. Please provide details of any government involvement in the issuance of debt and/or equity instruments to any company involved in the production of **Ironing Boards** and/or the main inputs industry in the last five calendar years. In each case, please provide:

- name and address of each relevant company;
- reasoning for the form of financial instrument(s) used;
- the number and value of shares or bonds;
- the period of investments; and
- the rate of return(s) and/or expected yields.

There is no government involvement in the issuance of debt and/or equity instruments to any company involved in the production of ironing boards and/or the main inputs/raw materials industry.

Appendix reference:

3. Please indicate and specify the value of any **Government of Turkey** guarantee(s) for any commercial loans provided to any companies involved in producing **Ironing Boards** or the main inputs in the last five calendar years.

This information can be obtained from respondent companies.

Appendix reference:

B5 Market access and government policy initiatives

1. Please provide details on whether any producers of **Ironing Boards** or the main inputs operating in **Turkey** have required any types of licenses for production, or government verification for entering the market in the last five calendar years? If so, please substantiate your answer with evidence.

*All manufacturers in Türkiye must register to the Industrial Registry Certificate System according to the Article 2 of the Law of the Industrial Registration No. 6948 (See **Exhibit 3**). Therefore, all manufacturers in Türkiye are required to have an industrial registry certificate.*

Appendix reference:

2. Please indicate and explain any restrictions (such as limits or quotas) placed on the production and/or export of **Ironing Boards** in **Turkey** in the last five calendar years. Please substantiate your answer with evidence.

There are no restrictions (such as limits or quotas) placed on the production and/or export of ironing boards in Türkiye.

Appendix reference:

3. Please identify and provide details of any government policies and/or initiatives that directly or indirectly affect the sector producing **Ironing Boards**.

There are no specific policies and/or initiatives that directly or indirectly affect the sector producing ironing boards.

Appendix reference:

4. Please identify and explain any economic plans of the **Turkish** government, in effect since 1 January 2021, that directly or indirectly affect producers of **Ironing Boards** or the main inputs. Please substantiate your answer with evidence.

*2021 – 2023 Medium Term Program prepared by the Ministry of Treasury and Finance and the Presidency of Strategy and Budget is attached in **Exhibit 4** (English version: page 63-124).*

Appendix reference:

SECTION C: Subsidies

C1 Subsidy programmes

Table 1 – Subsidy programmes under investigation below lists the programmes that are being investigated. Please note that programme titles listed are to the best of the TRA’s knowledge and may differ from official programme titles used by the Government of **Turkey**.

Please provide the information requested for each of the programmes identified in the table below and for any additional programmes the **Government of Turkey** has identified. To be relevant to this investigation, programmes should have conferred a benefit for producers of **Ironing Boards** during the POI and are specific to the Turkish Free Zones.

Table 1 – Subsidy programmes under investigation

No.	Subsidy name	Subsidy type
1	Turkish Free Zone	Preferential Tax Programme (e.g. corporate tax reduction and income tax exemption)
2	Turkish Free Zone	Provision of goods and services (including provision of intermediate and raw materials) for less adequate remuneration
3	Turkish Free Zone	Tariff and VAT exemptions
4	Turkish Free Zone	Land use rights
5	Turkish Free Zone	Export credits and financing

+ Add additional rows as required

- Please use the text box below to record any programmes in **Table 1 – Subsidy programmes** under investigation that the **Government of Turkey** is unfamiliar with. If the **Government of Turkey** is aware of the programme that it seems to relate to, or one that is similar, please provide its official name and its subsidy type below. In addition, please include any such programmes in the table above and answer the questions that follow with reference to these programme(s).

There is no provision of goods and services (Program no.2) program provided by the Government of Türkiye. Therefore, this program is not responded.

On the other hand, regarding Export credits and financing (Program no.5), information on export credits of Turk Eximbank is provided under Section C5.

With this regard, Section C1-C4 are responded for remaining 3 programs (1, 3 and 4).

Appendix reference:

C2 General information on programmes

1. Please answer each of the following questions for **all** programmes listed in **Table 1**, including any additional programmes that have been identified in the previous section.

Please use the programme numbers listed in the table when referencing programmes and provide evidence to support responses.

General Information of Free Zones: *Free Zones Law No. 3218, which was published on Turkish Official Gazette on June 15, 1985, was launched in mid-1980's as part of the economic liberalization program pursued by GoT.*

There were 18 free zones in Türkiye during period of investigation (POI). They are not established in a specific region, but located countrywide. Some tax benefits are implemented for companies who engage in operations in a free zone, including income or corporate tax exemptions, customs duty exemptions, and exemption from stamp duties and fees.

Program 1. Preferential Tax Programme (e.g. corporate tax reduction and income tax exemption)

For **each** programme, please provide full details of the following:

- the policy objective and/or purpose of the programme;

ANSWER:

Free Zones Law No: 3218 dated June 6, 1985 was launched in the mid-1980's as part of the economic liberalization program pursued by the Government. The Law covers issues on the establishment of free zones, the determination of areas and borders and the scope of activities of the free zones, the management and operation of free zones, the establishment of buildings and facilities in the zones. There were 18 free zones in Türkiye during period of investigation (POI) located countrywide. They are not established in a specific region.

While responsibility for administering free zones relies under the Ministry of Trade, tax related issues such as this specific exemption on income or corporate tax for free zone activities' earnings rely under the Ministry of Treasury and Finance.

According to the provisions of Provisional Article 3 of Free Zones Law No. 3218 dated June 6, 1985:

- Free zone users which obtained an operating license before February 6, 2004 are exempt from income or corporate taxes on the earnings generated through their activities in these zones, as long as they have a valid operating license for “Production” in a free zone.
- Until the end of the taxation year including the date Türkiye becomes a full member of the European Union; the earnings generated through the sales of the goods produced in the free zones by firms holding an Operating License on production are exempt from income or corporate taxes.

- the nature or form of the subsidy;

ANSWER:

This is an exemption of income tax or corporate tax with regard to earnings generated in free zones.

- the nature of benefits or concessions granted;

ANSWER:

Due to the secrecy provisions related to taxes in Türkiye, information whether the respondent companies used this program can be obtained from the respondent companies’ records.

- when the programme was established;

ANSWER:

According to the provisions of Provisional Article 3 of Free Zones Law Nr: 3218 dated June 6, 1985, which was amended by Law Nr: 5084 dated February 6, 2004, until the end of the taxation year including the date Türkiye becomes a full member of the European Union, the earnings of the manufacturer users, generated through the sales of the goods they produced in the free zones, are exempted from the income or corporate taxes.

- the duration of the programme; and

ANSWER:

The program will be in force until Türkiye becomes a full member of the European Union.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Free Zones Law No. 3218 is attached at **Exhibit 5**.

- how the programme operates; and

ANSWER:

Real persons or legal entities who intend to engage in operations in the free zones may submit their Operating License Application Form, which is attached at **Exhibit 6**, to the Ministry of Trade in order to obtain an Operating License.

There is no special application or approval process for this program for operating license holders acting under Provisional Article 3, paragraph 1, clause (a) and paragraph 2, clause (a). The operating license holder should apply to registered tax office.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

Ministry of Trade, Directorate General of Free Zones is responsible for administering the free zones. It is located at Söğütözü Mah. 2176. Cad. No: 63, 06530 Çankaya/ANKARA.

Ministry of Treasury and Finance is responsible for administering the programs under the Provisional Article 3 of the Free Zones Law. It is located at Devlet Mah. Merasim Cad. No:9/1 06450, Çankaya/ANKARA.

Program 3. Tariff and VAT exemptions

For **each** programme, please provide full details of the following:

- the policy objective and/or purpose of the programme;

ANSWER:

Free Zones Law No: 3218 dated June 6, 1985 was launched in the mid-1980's as part of the economic liberalization program pursued by the Government. The Law covers issues on the establishment of free zones, the determination of areas and borders and the scope of activities of the free zones, the management and operation of free zones, the establishment of buildings and facilities in the zones. There are currently 18 free zones in Türkiye located country-wide. They are not established in a specific region.

According to Article 6 of the Free Zones Law No. 3218, trade between free zones and other countries is not subject to the customs regulations. Thus, goods entering free zones from other countries or other free zones are exempt from import duties. The import duties will not be collected as long as the goods are not imported to Türkiye or not used in production of goods which will be imported to Türkiye. Therefore, if the goods are imported to Türkiye, all import duties will be paid by the importer company.

Under Article 16, Clause (c) of Value Added Tax Law No. 3065 which is attached at **Exhibit 7**, the goods which are produced in a free zone are exempted from value added tax only if they are exported to other countries or to other free zones.

- the nature or form of the subsidy;

ANSWER:

This is an exemption of customs tariff and VAT.

- the nature of benefits or concessions granted;

ANSWER:

Due to the secrecy provisions related to taxes in Türkiye, information whether the respondent companies used this program can be obtained from the respondent companies' records.

- when the programme was established;

ANSWER:

This program was established in 1984.

- the duration of the programme; and

ANSWER:

There is no specified duration for this program.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

The program is operated under Article 6 of the Free Zones Law No. 3218 and Article 16, Clause (c) of Value Added Tax Law No. 3065.

- how the programme operates; and

ANSWER:

Real persons or legal entities who intend to engage in operations in the free zones may submit their Operating License Application Form to the Ministry of Trade in order to obtain an Operating License.

There is no application process to benefit from this program. Any company with a valid operating license in a free zone may benefit from the tax exemptions. Companies make tax declarations by showing this situation in their annual balance sheets and income statements.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

Ministry of Trade, Directorate General of Free Zones is responsible for administering the free zones. It is located at Söğütözü Mah. 2176. Cad. No: 63, 06530 Çankaya/ANKARA. Ministry of Trade keeps records of companies and their licences.

Ministry of Treasury and Finance is responsible for administering the programs under the Provisional Article 3 of the Free Zones Law. It is located at Devlet Mah. Merasim Cad. No:9/1 06450, Çankaya/ANKARA.

Program 4. Land use rights

For **each** programme, please provide full details of the following:

- the policy objective and/or purpose of the programme;

ANSWER:

Free Zones Law No: 3218 dated June 6, 1985 was launched in the mid-1980's as part of the economic liberalization program pursued by the Government. The Law covers issues on the establishment of free zones, the determination of areas and borders and the scope of activities of the free zones, the management and operation of free zones, the establishment of buildings and facilities in the zones. There are currently 18 free zones in Türkiye located country-wide. They are not established in a specific region.

Free zones can be established either on Treasury-owned land or on private land. Sale of the land to free zone users is possible only if the land of the free zone is privately owned. In both Treasury-owned and privately-owned free zones, free zone users may prefer to rent an already built workplace. Building and land use rights are regulated under Article 5 of the Free Zones Law No. 3218. This article does not regulate lease/sales contracts between private companies.

- the nature or form of the subsidy;

ANSWER:

This program is a provision of rights of land.

- the nature of benefits or concessions granted;

ANSWER:

The GOT does not have any information on lease/sales contracts between private companies.

- when the programme was established;

ANSWER:

This program was established in 1984.

- the duration of the programme; and

ANSWER:

There is no specified duration for this program.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

The program is operated under Article 6 of the Free Zones Law No. 3218.

- how the programme operates; and

ANSWER:

Please see our responses above.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

Ministry of Trade, Directorate General of Free Zones is responsible for administering the free zones. It is located at Söğütözü Mah. 2176. Cad. No: 63, 06530 Çankaya/ANKARA. Ministry of Trade keeps records of companies and their licences.

The GOT does not have any information on lease/sales contracts between private companies.

For all programmes that are no longer operational, please state the date from which a company could no longer apply for, or claim benefits through, them. Please substantiate all your answers with evidence.

N/A

Appendix reference:

2. Please provide details of future changes expected to the programmes listed in **Table 1**.

N/A

Appendix reference:

C3 Programme eligibility

Please answer each of the following questions for **all** programmes listed in **Table 1** above. Your responses should include information on any additional programmes that have been identified and added to the table in the process of completing this questionnaire.

In the questions that follow, please use the programme numbers listed in **Table 1** to refer to programmes and substantiate responses with evidence.

1. For each programme, please explain the application process, including details of any application fees charged by the relevant government authority.

There is no specific application or approval process for listed free zone programs. Any company holding an Operating License to operate in a free zone (it is obligatory to have an Operating License on Manufacturing for the Corporate Tax exemption) can benefit from the exemptions provided that it meets the necessary conditions listed in the Law No. 3218.

Appendix reference:

2. For each programme, please describe the decision-making process used by the relevant government authority to approve or reject an application. Please clearly indicate any differences in the process across different types of subsidies or programmes.

It is obligatory to obtain an Operating License in order to operate in the Free Zones. The authority to determine the evaluation criteria and application processes for the Operating License is the Ministry of Trade.

Real persons or legal entities who intend to engage in operations in a free zone may submit the Operating License Application Form to the Zone Directorate. After the Application Form is completed and submitted, and the Application Fee(5.000 \$) is deposited, the application is considered as filed. The Zone Directorate forwards the Application Form to the Ministry together with its own opinion. Following the evaluation of the application by the Ministry, the applicant who is found eligible to be granted an Operating License is notified via official letter and given 30 days to make a lease or sales contract with the free zone operator company. Failure to make a lease or sales contract within this period results in the loss of the right to get an Operating License.

Appendix reference:

3. Please answer the following questions regarding eligibility for receiving benefits provided under each programme:

- a. Please specify whether eligibility for the programme is at all conditional on a company's export performance. If so, please provide details of the criteria that apply.

No. Eligibility is not conditional on a company's export performance.

Appendix reference:

- b. Please specify whether eligibility for the programme is at all conditional on a company's use of domestic goods over imported goods, and if so please provide details.

No. Eligibility is not conditional on a company's use of domestic goods over imported goods.

Appendix reference:

- c. Please specify whether eligibility for the programme is at all conditional upon, or limited to, the location of companies or industries within specific regions. If so, please specify the companies or industries and the designated regions.

No. Eligibility is not conditional on the location of companies or industries within specific regions. Any company with a valid operating license in a free zone may benefit from these programmes. There were 18 free zones in Türkiye during period of investigation (POI) located country-wide. They are not established in a specific region.

Appendix reference:

- d. Please specify whether eligibility for the programme is limited to any individual or groups of companies and/or industries. If so, please detail the relevant companies and/or industries and the laws that govern this criterion.

No. Eligibility is not limited to any individual or groups of companies and/or industries.

Appendix reference:

C4 Subsidies received under the programmes

1. Please complete **Annex C4 – Programme beneficiaries** identifying all companies that accrued or received a subsidy (or subsidies) under the programmes during the POI. This may include benefits from programmes that were in place well before the POI. Please add additional rows as required.

Please ensure the columns under 'Programme information' are populated using the exact information in **Table 1**, ensuring any programme(s) detailed in Section C1 are included.

ANSWER:

Among the respondent companies, Milenyum Metal Dış Ticaret ve Sanayi A.Ş. operates in Kayseri Free Zone since 09.05.2000 at the factory address of Kayseri Free Zone 8.th St. No: 9. [

Contains commercially sensitive confidential business information, therefore REDACTED

].

Furthermore, 3M Plastik ve Metal Dış Tic. San. A.Ş. operates in Kayseri Free Zone since 17.03.2010 as a tenant of Milenyum Metal Dış Tic. Ve San. A.Ş. at the same building. [

Contains commercially sensitive confidential business information, therefore REDACTED]

On the other hand, information on usage of the programs by the respondent companies can be obtained from respondent companies.

2. Please identify and provide copies of any contractual agreements between the **Government of Turkey** and any companies that receive benefits under the programme (e.g. loan contracts, grant contracts, etc.).

*Milenyum Metal Dış Ticaret ve Sanayi A.Ş. has a center in Kayseri Free Zone, which is operated by the private company KAYSER. The land of Kayseri Free Zone is owned by KAYSER. The lease/sales transactions was carried out between Milenyum and KAYSER on terms of private law.
3M Plastik ve Metal Dış Tic. San. A.Ş. operates in the Kayseri Free Zone as a tenant of the Milenyum. The lease transactions was carried out between Milenyum and 3M on terms of private law.*

Appendix reference:

3. For **each** programme beneficiary listed in **Annex C4 – Programme beneficiaries**, please answer the following questions:
 - a. Please explain the subsidy (or subsidies) provided to the beneficiary. Include an explanation of whether the subsidy was one-off or recurring, including the years it recurred and whether the subsidy varied between years. Please also

explain how the amount stated in **Annex C4** has been estimated, including the methodology and assumptions used (if relevant).

Due to the tax secrecy, information on usage of the programs by the respondent companies can be obtained from respondent companies.

Appendix reference:

- b. Please indicate what functions the company performs and specify whether the nature of any such functions could be recognised as being equivalent to those of a Foreign Authority.

N/A

Appendix reference:

- c. Please state whether any of the company's functions are undertaken on behalf of the **Government of Turkey** and specify whether the company is required to support government policies.

No.

Appendix reference:

- d. If the company has been trusted, vested or tasked with any responsibility normally associated with a Foreign Authority please specify the nature and function of this responsibility and provide copies of the relevant legal instruments or regulations.

No.

Appendix reference:

- e. Please indicate whether the company has the authority to entrust or direct a private body to undertake responsibilities or functions on behalf of the Foreign Authority.

N/A

Appendix reference:

4. For **each** SIE and SOE identified in **Annex C4**, if any, please answer the following questions:

- a. Please indicate any payments and/or injections of funds provided by the **Government of Turkey** to the SIE/SOE (e.g. grants, awards, purchase of shares, injection of capital funds etc.). Please detail the date, amount and the reason(s) for the provision.

N/A

Appendix reference:

- b. Please identify and provide details on whether the SIE/SOE has any financial liabilities with any financial institutions in which the **Government of Turkey** holds an interest.

N/A
Appendix reference:

- c. Please detail how each SIE/SOE funds its operations.

N/A
Appendix reference:

- d. Please explain how and to whom the SIE/SOE distributes its profits.

N/A
Appendix reference:

- e. Please explain how the performance of the SIE/SOE is measured, specifying which authority in **Turkey** inspects or reviews its performance (e.g. output and quality performance, employee performance, financial performance etc.) Include an explanation of what action, if any, is taken by such authorities if its performance targets are not met.

N/A
Appendix reference:

- f. Please provide details of any official **Turkish** reporting methods and/or procedures that the SIE/SOE must comply with.

N/A
Appendix reference:

C5 Other subsidy programmes

Table 2 – Other subsidy programmes below lists additional programmes outside of the Turkish Free Zones that have been identified during the initial stages of our investigation. We are seeking further information about these programmes to assess whether the scope of our investigation needs to be amended.

Therefore, please provide the information requested for each of the programmes identified in the table below. If these programmes have already been detailed in the **Government of Turkey’s** response to questions C1.1 above, please provide the necessary clarification below.

In addition, if you are aware of any other assistance programmes not previously addressed, please add any such programmes to **Table 2**, clearly indicating the subsidy type and name of the programme. This includes any market development assistance programmes or domestic support programmes that are related to the production of **Ironing Boards** and conferred a benefit during the POI.

Please note that programme titles listed are to the best of the TRA’s knowledge and may differ from official programme titles used by the **Government of Turkey**.

Table 2 – Other subsidy programmes

No.	Subsidy name	Subsidy type
1	Foreign fair support program	Grant
2	Eximbank loan program	Loans
3	KOSGEB Kobigel Support Program (Machinery purchase grants and loans) and other KOSGEB programs (market research, consulting grants)	Grant/Loans
4	Property Tax Exemption	Tax Exemption

+Add/remove additional rows as required.

1. Please answer each of the following questions for **all** programmes listed in **Table 2**.

Please use the programme numbers listed in the table when referencing programmes and provide evidence to support responses.

For **each** programme, please provide full details of the following:

- the policy objective and/or purpose of the programme;
- the nature or form of the subsidy;
- the nature of benefits or concessions granted;
- when the programme was established;
- the duration of the programme; and
- the laws and regulations under which the subsidy is granted (including English translations);
- how the programme operates; and
- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

For all programmes that are no longer operational, please state the date from which a company could no longer apply for, or claim benefits through, them. Please substantiate all your answers with evidence.

Please answer here

Appendix reference:

Foreign Fair Support Program

2. Please answer each of the following questions for **all** programmes listed in **Table 2**.

Please use the programme numbers listed in the table when referencing programmes and provide evidence to support responses.

For **each** programme, please provide full details of the following:

- the policy objective and/or purpose of the programme;

ANSWER:

The purpose of this program is to support Turkish companies' participation to international trade fairs abroad.

This program was implemented through "The Communique on Supporting Participation in Fairs Abroad" no. 2009/5 since December 30, 2009. On July 1, 2017 it was replaced by the "The Communique on Supporting Participation in Fairs Abroad" no. 2017/4.

- the nature or form of the subsidy;

ANSWER:

Certain expenditures related to companies' participation to trade fairs abroad are being partially supported. 50% of certain expenditures of companies are supported with a maximum amount of 92.000 TL. The expenditures eligible for support are transportation services, exhibition booth fee/rent, travel tickets of company representatives, etc.

- the nature of benefits or concessions granted;

ANSWER:

None of the respondent companies benefitted from this program during the POI.

- when the programme was established;

ANSWER:

This program was implemented through “The Communique on Supporting Participation in Fairs Abroad” no. 2009/5 since December 30, 2009. On July 1, 2017 it was replaced by the “The Communique on Supporting Participation in Fairs Abroad” no. 2017/4.

- the duration of the programme; and

ANSWER:

There is no specified duration for this program.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

This program is implemented through “The Communique on Supporting Participation in Fairs Abroad” no. 2017/4 which can be found at **Exhibit 8**.

- how the programme operates; and

ANSWER:

Any company established under Turkish Commercial Code can apply for this program. There is no application form. Application documents should be submitted by the participant company no later than 3 months following the end date of the fair.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

Ministry of Trade is responsible for the administration of the program. The Ministry of Trade keeps records of the payments made to the companies through a database since June 2012.

Eximbank Loan Program

ANSWER:

There are multiple Eximbank loans that are used by the respondent companies. Therefore, questions are responded for these loans separately.

Export-Oriented Working Capital Credit Program (EOWCP)

- the policy objective and/or purpose of the programme;

ANSWER:

Export Oriented Working Capital Credit Program (WCC) aims at financing working capital needs of exporters regarding raw materials, intermediate goods, final goods, and final product purchasing transactions, realized within a period of 180 days before the credit application date. Electricity, water, natural gas, salary costs etc. for the period of 1 month can be also financed within the program.

- the nature or form of the subsidy;

ANSWER:

It is a medium-long-term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 2012.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 5 years.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please see **Exhibit 10** for the Turk Eximbank EOWCP Implementation Principles.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application documents mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

Export-Oriented Investment Credit Program (EOICP)

- the policy objective and/or purpose of the programme;

ANSWER:

Export-Oriented Investment Credit Program aims at financing machine, equipment and accessory expenditures which need a medium or long term financing because of their sustainability or long-term usage properties on the basis of the amount excluding VAT. Land, building, vehicle and used goods purchases and construction expenditures cannot be financed under this programme.

- the nature or form of the subsidy;

ANSWER:

It is a medium-long-term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 2012.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 10 years.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please find **Exhibit 12** for the Turk Eximbank EOICP Implementation Principles.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application documents mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

Pre-Export Credit Program (PEC)

- the policy objective and/or purpose of the programme;

ANSWER:

“Pre-Export Credit Program” (PEC) program is designed to meet the working capital needs of exporters, manufacturer-exporters and export – oriented manufacturers, except Foreign Trade Corporate Companies (FTCC) and Sectoral Foreign Trade Companies (SFTC) without requiring any past export performance. The facilities aim at increasing the competitiveness of Turkish exporters in foreign markets.

- the nature or form of the subsidy;

ANSWER:

It is a short and medium term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 1994.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 720 days.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please find **Exhibit 13** for the Turk Eximbank PEC Implementation Principles.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application documents mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

Pre-Shipment Export Credits Program (PSEC)

- the policy objective and/or purpose of the programme;

ANSWER:

Pre-Shipment Export Credits are extended through intermediary commercial and participation banks, which have credit lines at Turk Eximbank.

In the scope of pre-shipment export credit program short or medium term financial needs are met in the pre-shipment period through intermediary commercial and participation banks.

- the nature or form of the subsidy;

ANSWER:

It is a short and medium term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 1997.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 5 years.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please find **Exhibit 14** for the Turk Eximbank PSEC Implementation Principles.

- how the programme operates; and

ANSWER:

Exporters, manufacturer-exporters and manufacturers supplying exporters apply through an appointed commercial bank with the documents listed in Application Document List.

Commercial banks and participation banks have full authority to determine the eligibility of applications and transmit approved applications to TE. Afterwards, TE becomes the sole authority to give approval or disapproval for disbursement.

TE verifies that the loan demands do not exceed the credit line of the commercial bank. All demands received on a given business day are reviewed according to foregoing provisions and are submitted to TE's Credit Committee.

If the Credit Committee approves loans, both the borrower and the intermediary bank will receive a notification. The notification specifies the loan interest rate and repayment terms. In this program commercial banks are permitted to add maximum 1% to TL interest rate and 0.5% to FX interest rate as commission.

After the disbursement is realized to the intermediary bank, the bank transfers the funds to the firm's account on the same day.

The borrower is obliged to fulfill its export commitments within the period stated in the Legislations (currently 24 months for short-term loans starting from disbursement date).

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

Rediscount Program (RP)

- the policy objective and/or purpose of the programme;

ANSWER:

“Rediscount Program” (RP) (previously Short-Term Pre-Shipment Rediscount Program) was established on October 12, 1999, and designed to increase the competitive power of manufacturers-exporters producing goods directed to exports, exporters and companies which export foreign exchange earning services in international markets, to meet the financial needs at the level of preparation of exports, in the framework of the Central Bank of the Republic of Türkiye (CBRT)’s “Circular on Export and Foreign Exchange Earning Services Rediscount Credits”.

Promissory notes issued on behalf of Türk Eximbank (TE), which have the acceptance (aval) of a bank operating in Türkiye having a short-term letter of guarantee limit determined by TE, are discounted under this program.

In this program, export transactions based on letter of credit, cash against documents or cash against goods are covered. This program provides pre-shipment finance in foreign currency (FX) and starting from June 2011 in Turkish Lira (TL).

On the other hand, with CBRT’s Circular dated October 4, 2016, the requirement for minimum of three signatures (the firm, a commercial bank and TE) on the bills to be accepted for rediscount was reduced to two signatures (the firm and a commercial bank or TE). There-

fore, from that date on promissory notes issued on behalf of commercial banks are also discounted under this program which means firms can also use this program via commercial banks without applying TE or via TE without involvement of commercial banks.

- the nature or form of the subsidy;

ANSWER:

It is a short term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 1999.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 360 days.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please find **Exhibit 15** for the Turk Eximbank RP Implementation Principles. Please also attached a copy of “Circular on Export and Foreign Exchange Earning Services Rediscount Credits” of CBRT dated July 20, 2018 at **Exhibit 16**.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application documents mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye. On the other hand, as of October 4, 2016 it is also administered by commercial banks which apply to the CBRT.

Pre-Export Credit Program for SMEs (PEC-SME)

- the policy objective and/or purpose of the programme;

ANSWER:

This program aims to provide financial support to SMEs in the preparatory stage of their exports. This credit facility is available only to SMEs.

- the nature or form of the subsidy;

ANSWER:

It is a short and medium term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 2003.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 720 days.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please find **Exhibit 17** for the Turk Eximbank PEC-SME Implementation Principles.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application docu-

ments mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

Specific Export Credit Program (SEC)

- the policy objective and/or purpose of the programme;

ANSWER:

SEC is a medium-term pre-shipment financing facility provided to contractors that have overseas activities, exporters, exporter-manufacturers' foreign currency generating projects which cannot be financed via existing TE credits.

It aims to meet the specific requirements of Turkish exporters, manufacturers/exporters and contractors that have overseas activities through medium-term financing funded by international financing organizations such as World Bank, Multilateral Investment Guarantee Agency (MIGA), Council of Europe Development Bank (CEB) and thus, encouraging the contractors that have overseas activities, exporters, exporter-manufacturers' projects.

- the nature or form of the subsidy;

ANSWER:

It is a medium and long term export loan program.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 9** for the loans that used by the respondent companies.

- when the programme was established;

ANSWER:

The program was established in 1997.

- the duration of the programme; and

ANSWER:

The maximum maturity of the loans is 10 years.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

N/A.

- how the programme operates; and

ANSWER:

Crediting process is carried out in two stages; Financial Analysis and Limit Allocation.

In the analysis stage, which is the first step, companies are evaluated within the scope of the loan application document set obtained from the exporter. The loan application documents mainly consist of financial statements and other financial documents, partnership structure documents, signature circular, identity information, and production capacity reports. In the evaluation process of credit applications, copy of the documents submitted by an applicant are sent to Analysis Department for the preparation of a financial analysis report on applicant firm. The financial analysis reports include detailed information about its ownership structure, management quality, industry characteristics and competitive position within the industry, and financial strength and structure (liquidity, leverage, profitability etc.).

With the release of the analysis report, the company's limit allocation process is initiated. At this stage, the requested credit line proposal is forwarded to the Allocation Department. The Allocation Department analyses the credit worthiness of the firm, Company's loan utilization information, collateral information, repayment performance, risk information, and export performance. As a result of the analysis, a credit line is allocated by the relevant credit committee.

After the completion of these two stages, which is generally valid for 12 months, the loan disbursement stage begins. As long as the credit line is valid, companies may utilize loans by submitting their application forms and guarantees to TE.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by the Export Credit Bank of Türkiye.

Documents listed in the Loan Application Document Set, which is provided in **Exhibit 11**, are maintained by Türk Eximbank.

KOSGEB Kobigel Support Program

- the policy objective and/or purpose of the programme;

ANSWER:

The purpose of the “SME Development Support Program (KOBİGEL)”; in line with the national and international targets of the country, is to support the projects that small and medium-sized enterprises will prepare in order to increase their share and efficiency in the economy, to increase their competitiveness and the added value they provide.

- the nature or form of the subsidy;

ANSWER:

The program is implemented on call basis. Basically, Small and Medium Sized Enterprises Development Organization (KOSGEB) announces the call, SMEs apply and they receive the grant or interest free reimbursable support while they run the project.

- the nature of benefits or concessions granted;

ANSWER:

Please see **Exhibit 18** for the payments made to respondent companies under KOBİGEL program.

- when the programme was established;

ANSWER:

The program was established on October 3, 2016.

- the duration of the programme; and

ANSWER:

There is no specified duration for this program.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Presidential Decree regarding the establishment of Small and Medium Enterprises Development Organization (KOSGEB) is provided in **Exhibit 19**.

This program has been prepared based on the KOSGEB Support Programs Regulation provided in **Exhibit 20**, which came into force after being published in the Official Gazette dated 15.06.2010 and 27612.

“SME Development Support Program (KOBİGEL)” which is provided in **Exhibit 21**

- how the programme operates; and

ANSWER:

KOSGEB announces calls for application via KOSGEB website. SME applies to the program within a certain period of time. SME specialists scrutinize the application whether it is suitable to be discussed at the Board. If not, it is opened for revision. Project applications that are approved as a result of the preliminary evaluation are submitted to the board members through the System for evaluation. Project applications are evaluated and scored separately on the System before the board meeting by each board member according to the criteria in the KOBİGEL-SME Development Support Program Board Evaluation Criteria Table. The projects included in the agenda of the Board, taking into account the project integrity; it is evaluated by taking into account the Relevance, Necessity, Applicability, Sustainability and Budgetary Availability. As a result of the evaluation, it is decided to approve or reject the project.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

The program is administered by KOSGEB. KOSGEB has a database comprised of beneficiary SMEs' project application identification data (name, address, sector, size, type of support and name of the program), support payment amount and dates, monitoring reports, reimbursement date, etc.

Property Tax Exemption

- the policy objective and/or purpose of the programme;

ANSWER:

The aim of this exemption is to gather industrial enterprises in specific areas for a healthier industrial environment in every aspect. The program provides property tax exemption for the buildings which are in the organized industrial zones, free zones, industrial zones, technology development zones and industrial sites.

- the nature or form of the subsidy;

ANSWER:

This program is an exemption from property tax.

- the nature of benefits or concessions granted;

ANSWER:

Due to the secrecy provisions related to taxes in Türkiye, information whether the respondent companies used this program can be obtained from the respondent companies' records.

- when the programme was established;

ANSWER:

The Property Tax Law No. 1319 was published in Official Gazette dated 11 August 1970, No. 13576. It entered into force on 01 March 1971. Exemption provisions for buildings are regulated in the Articles 4 and 5, and for the lands in the Articles 14 and 15 of the said Law.

- the duration of the programme; and

ANSWER:

There is no specified duration for this program.

- the laws and regulations under which the subsidy is granted (including English translations);

ANSWER:

Please see **Exhibit 22** for the Property Tax Law No. 1319.

- how the programme operates; and

ANSWER:

The buildings, lands and plots in Türkiye are subject to property tax. The tax base for the property tax is the “property tax value” of the building/land/plot according to the Property Tax Law No. 1319. Property taxes are calculated annually by related municipality. The taxpayers obtain the information on tax amount that they have to pay, from relevant municipalities. Therefore, they do not make any other calculations.

The property tax rate for non-residential buildings is 0.2%. This rate is applied with an increase of 100% within the borders of the metropolitan municipality.

The tax rate for lands is 0.1% and for plots is 0.3%. These rates are applied with an increase of 100% within the borders of the metropolitan municipality.

The local municipalities administer this program. Companies wishing to benefit from this program must notify the related municipality when they first build or acquire a building in organized industrial zones, free zones, industrial zones, technology development zones and industrial sites. The municipality then refrains from assessing the relevant building for property tax.

- which **Turkish** authority administers the programme and the types of records that they maintain for a programme (e.g. company-specific files, accounting records, programme databases, budget approvals, etc.)

ANSWER:

Municipalities are responsible for implementing the program. The Ministry of Treasury and Finance is responsible for administering the program.

SECTION D: Next steps

Next steps

Once you have completed all parts of the questionnaire, please submit this with the spreadsheet annex and any appendices through the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **22 June 2022**. The checklist in Section E of this questionnaire may help ensure your submission is complete.

A confidential and non-confidential version of the questionnaire and spreadsheet annex must be submitted. You can find guidance on how to complete confidential and non-confidential versions in our guidance on [how to submit information](#).

SECTION E: Checklist and appendices

This section is an aid to ensuring all sections of this questionnaire are completed.

Section	Please tick if you have responded to all questions
Section A – General information	<input checked="" type="checkbox"/>
Section B – Government involvement in the Ironing Boards sector	<input checked="" type="checkbox"/>
Section C – Subsidies	<input checked="" type="checkbox"/>
Section D – Next steps	<input checked="" type="checkbox"/>

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
Exhibit 1	Imports and Exports of Ironing Boards upstream products
Exhibit 2	Tariff rates and/or quotas applying to imports and exports of Ironing Boards
Exhibit 3	Law of the Industrial Registration No. 6948
Exhibit 4	2021 – 2023 Medium Term Program
Exhibit 5	Free Zones Law No. 3218
Exhibit 6	Free Zone Application Form
Exhibit 7	Value Added Tax Law No. 3065
Exhibit 8	The Communique on Supporting Participation in Fairs Abroad
Exhibit 9	Eximbank loans that used by the respondent companies
Exhibit 10	EOWCP Implementation Principles
Exhibit 11	Loan Application Document Set
Exhibit 12	EOICP Implementation Principles
Exhibit 13	PEC Implementation Principles
Exhibit 14	PSEC Implementation Principles
Exhibit 15	RP Implementation Principles
Exhibit 16	Circular on Export and Foreign Exchange Earning Services Rediscount Credits
Exhibit 17	PEC-SME Implementation Principles

Exhibit 18	Payments made to respondent companies under KOBİGEL program
Exhibit 19	Decree regarding the establishment of Small and Medium Enterprises Development Organization (KOSGEB)
Exhibit 20	KOSGEB Support Programs Regulation
Exhibit 21	SME Development Support Program (KOBİGEL)
Exhibit 22	Property Tax Law No. 1319

+Add additional rows as required