



ETHYL ALCOHOL



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I- LEGAL FRAMEWORK



The ethyl alcohol sector is regulated under;

-The Law No: 4733 “Law on Establishment of Tobacco, Tobacco Products and Alcoholic Beverages Market Regulatory Authority” .

-The Law No: 4250 “Law on Alcohol and Alcoholic Beverages”.

-The secondary legislations derived from these Laws;

By-law on Trade (OG. 06.06.2003 No.25130).

By-law on Production (OG. 26.09.2002 No.24888).

By-law on Wholesale, Retail Sale and Selling Licenses (OG. 31.12.2002 No.24980).

Ethyl Alcohol Communique(OG.21.10.2004No.25620).

-The Law No: 5179 “Law on the Production, Consumption and Inspection of Food”.

-The secondary legislations derived from this Law.



II.AUTHORIZED BODIES



1. Tobacco, Tobacco Products and Alcoholic Beverages Market Regulatory Authority (TAPDK)

TAPDK is authorized for ;

-regulating the alcohol and alcoholic beverages market.

(Law No. 4733 and Law No.4250)

2. Ministry of Agriculture and Rural Affairs (MARA)

MARA is authorized for;

-regulating the production, import and inspection of ethyl alcohol of agricultural origin used in foodstuffs.

(Law No. 5179)



III-CURRENT SITUATION



With the amendment of the “Alcohol and Alcoholic Beverages Law” No: 4250 in 2001, spirit drinks and ethyl alcohol were set outside of the state monopoly.

After the abolishment of state monopoly, undenatured ethyl alcohol is not included within the scope of excise duty.

The aim of the current implementations in Turkey concerning ethly alcohol sector is to prevent the illicit usage of ethyl alcohol in the alcoholic beverages production.

There is no special legislation concerning biofuel.

The monitoring of the production of bioethanol used as an additive in unleaded fuel has been carried out by TAPDK in scope of the alcohol market regulation.



1-Market Mechanism and Administrative Arrangements

The production, importation, market supply and controls of ethyl alcohol have been regulated under;

- the Law No.4250
- the Law No. 4733
- the Law No. 5179

And secondary legislations that are derived from these Laws.

In the scope of the Law No.4250 and Law No.4733: Both ethyl alcohol of agricultural origin (denatured /undenatured) and ethyl alcohol of non-agricultural origin (denatured/undenatured).

In the scope of the Law No.5179: The ethyl alcohol of agricultural origin used in foodstuffs.



Based on the Laws No.4250, No. 4733 and the secondary legislation, the market is regulated by the TAPDK.

(the process from the production and importation of ethyl alcohol to arrival to the the industrial producer using ethly alcohol in his operations and the consumer)

Based on the Law No. 5179 and the secondary legislation, the production, importation and inspection of ethyl alcohol of agricultural origin used in foodstuffs are regulated by MARA in scope of food safety.

Necessary certificates in order to produce ethyl alcohol ;

- working certificate (from municipalities)
- facility establishing certificate (from TAPDK)
- production certificate (from TAPDK)
- production certificate (from MARA) (only for ethyl alcohol of agricultural origin used in foodstuffs)



Necessary certificates in order to import ethyl alcohol ;

- "certificate of compliance for import" (from TAPDK)
- "control certificate" (only for ethyl alcohol of agricultural origin used in foodstuffs) (from MARA).

Necessary certificates in order to distribute ethyl alcohol at the market;

- "distribution competence certificate" for importers and producers (from TAPDK).
- "sales certificate" for wholesalers and retailers (from TAPDK).

The aim of all the above mentioned certificates issued by TAPDK is to register the producer, importer and the products supplied to the market.



Only the alcohol distributor firms authorized by TAPDK shall market ethyl alcohol, whether denaturated or not.

For importers, ethyl alcohol shall be denaturated in warehouses under Processing Under Customs Control Regime.

For producers, ethyl alcohol shall be denaturated in the denaturation facility that is located in the production facility.

The undenaturated ethyl alcohol of agricultural origin used as an input in the food industry shall be supplied from the market by the food industry with the “Designation Certificate” that is to be received from the TAPDK.

The ethyl alcohol to be used in other industrial sectors shall be supplied from the authorized alcohol distributor firms compatible with their own “capacity report”.



2-Declarations

The producers are obliged to notify to the TAPDK the quantity of raw materials processed into the ethyl alcohol and also the quantity of ethyl alcohol produced.

The producers and importers are obliged to notify the quantity of the products that they market monthly, and their stock data, annually to the TAPDK.

The database that is formed with this data collected from the firms is provided to the public authorities.

The aim of these declarations is to monitor the market.



3-Controls on Ethyl Alcohol Sector

Pursuant to the Laws No. 4733, 4250 and the secondary legislations, controls are carried out within the scope of market regulation by the TAPDK;

- Controls on the activities of the producers, importers, wholesalers, retailers that exist within the market.
- on-site investigation in cases of complaint and suspect.
- on-site controls made systematically.
- cross-check of the data from the TAPDK database with the Undersecretariat for Customs and Ministry of Finance data.



4-Trade with Third Countries

Import/Export Arrangements

No export/import licences are required.

Ethyl Alcohol is not included in the export subsidy commitment schedule of Turkey.

Preferential Trade

EU Countries

Turkey has duty exemption within unlimited quota amount for ethyl alcohol obtained from agricultural goods listed in Annex I.

Ethyl alcohol obtained from other than agricultural products is subject to the Customs Union.



Third Countries

Under Turkey- Bosnia and Herzegovina ethyl alcohol is reciprocally subject to a concession of 0% duty on unlimited basis.

Under FTA between Turkey and EFTA, Turkey introduced preferential export possibility for ethyl alcohol with 0% unlimited quota).

Regarding ethyl alcohol obtained from other than agricultural products Turkey applies EU's GSP regime.



Import Duties

CN Code	Product Description	MFN	Bound Rate %
2207 10 00 10 11	Goods obtained from agricultural products listed in Annex I to the EEC Treaty	3%	102
2207 10 00 10 12			
2207 10 00 90 11	Other than obtained from agricultural products listed in Annex I to the EEC Treaty	19.2 eur/hl	102
2207 10 00 90 12			



IV-CONCLUSION



The current situation of the ethyl alcohol market in Turkey is not compatible with the system regulated by the Council Regulation 670/2003.

However, some of the current implementations in Turkey, after being improved, can be considered as the infrastructure of the system envisaged to be established in order to harmonize with the ethyl alcohol CMO.

Nevertheless, the issue of completing the establishment of the required administrative and legal infrastructure completely, in order to harmonize the ethyl alcohol CMO will be taken up in the accession process.



THANK YOU FOR YOUR ATTENTION